

*By Mr. Factor:*

Q. What I want to get at is this: I have seen advertised bedroom suites, regular \$200, for \$100, a half-price sale. I have seen them advertised. If that bedroom suite is sold for \$100, is the initial mark-up reflected in here? Or in other words, is that sale price \$100?—A. If there were any of these items which were reduced subsequent to the time that the purchase was made, it would not be shown on here. This is the initial mark-up.

*By Mr. Sommerville:*

Q. The mark-up which is made for the sales you describe?—A. Yes.

Q. You have taken a general survey of the purchases that were made for the February and August sales?—A. Yes.

Q. Covering all kinds of case goods?—A. Yes.

MR. SOMMERVILLE: We will have a good many examples of the kind of thing you are referring to, Mr. Factor, from the report of the furniture man.

MR. KENNEDY (*Peace River*): Would that be like Regina, 200 per cent?

MR. SOMMERVILLE: Well, I don't think so, no. I don't think we can compare it with Regina.

The CHAIRMAN: All right, let us get on.

*By Mr. Sommerville:*

Q. That fairly represents the actual situation with respect to furniture, with case goods?—A. Yes.

*By Mr. Factor:*

Q. Might I just ask one question. I just want to get this clear in my mind. What does the term "initial mark-up" mean?—A. It is the selling price which is set when the furniture or any other article first comes into the store.

MR. SOMMERVILLE: When it is put on the floor.

*By Mr. Factor:*

Q. When it is purchased?—A. The first selling price. They may subsequently reduce it, but that is the selling price that is set at the time. It is the selling price which is indicated on the invoice.

Q. If the item is subsequently reduced, this initial mark-up does not show the spread between the cost price and selling price?—A. No.

*By Mr. Sommerville:*

Q. No, but over the ten year period, all the write-downs only represent an average of 4.3 per cent?—Q. Yes.

MR. ILSLEY: Less than that.

*By Mr. Sommerville:*

Q. Less than 4.3 per cent; and last year, 3.6 per cent?—A. 3.6 per cent.

Q. Now, on the question of upholstery; here is where you get not quantity buying, but individual cases.

The CHAIRMAN: Mr. Heaps knows about this.

MR. HEAPS: This is my specialty

*By Mr. Sommerville:*

Q. Now, let us take upholstered furniture?—A. 1 set purchased for \$45.05; initial unit selling price, \$77; a mark-up of 70.92 per cent. Another set, with a low mark-up, laid down cost, \$41; initial unit selling price, \$55.95, a mark-up of 36.46 per cent.