

*By Mr. Sommerville:*

Q. Now then, you purpose dealing with these sample departments. The first department is the furniture; second, men's clothing department; third, ladies' dress and coat department; fourth, boys' clothing; fifth, shoe department; sixth, men's shirts; seventh, paints and wallpapers; eighth, knitted underwear; ninth, drugs and toilets; and ten, groceries and provisions?—A. Yes.

Q. Now, if you will just proceed, but speak a little louder, Mr. Adamson, if you please?—A. Department 401 handles the bulk of the furniture sold by the Toronto store and is situated on the fifth floor. It has a much larger volume than any other department of the store and covers an area of more than 55,000 square feet.

Merchandise handled falls into three general classifications:—

1. "Case goods"—dining room and bedroom suites, breakfast sets, desks, tables, bookcases and some ice refrigerators.
2. Upholstered furniture—living room suites.
3. Bedding, mattresses, springs—and studio couches.

*Buying Policy:*

There are two large furniture sales a year—one in February and the other in August. Case goods required for these sales or those made to the company's own specifications are mostly ordered in quantities, the orders being given in the spring and fall, three to six months before delivery is required. A separate warehouse is maintained in which the reserve stock is stored until required.

Q. That is, stuff that is not taken from the manufacturer, if the manufacturer as a term of the bargain has to store it, it remains with the manufacturer?—A. No, that is the warehouse that is maintained by the company itself.

Q. There is a furniture warehouse maintained by them?—A. Yes.

Q. But did you not find, as intimated to us by the furniture manufacturers, that a great deal of the stock is kept on their premises until actually required?—A. In the case of the mail order all the furniture is ordered that way.

Q. In the case of the mail order all the furniture is kept by the manufacturer and shipped direct from the manufacturer to the customer?—A. Yes, and in the case of the upholstered furniture it is ordered only one suite at a time.

Q. That is, upholstered furniture is ordered only one suite at a time from the manufacturers?—A. Yes.

Q. As sold?—A. Yes.

Q. There being a sample suite on the floor of the department?—A. That is right.

Q. And that being the only one maintained there?—A. Yes.

*By Mr. Factor:*

Q. What do you mean by "case goods"?—A. Dining room and bedroom suites, breakfast sets, desks, tables, bookcases and some ice refrigerators.

*By Mr. Sommerville:*

Q. As opposed to upholstered, I suppose, is the best explanation for it?—A. Right.

Q. Will you just proceed then, Mr. Adamson?—A. Upholstered furniture and bedding, however, are only ordered in small lots as required, sales being made from samples on the floor. While the samples are purchased from the company, in the case of bedding the manufacturers usually replace samples when they become soiled.

Q. Why should they do that? Is that the result of some special bargain that was made?—A. Yes.

Q. When the samples were soiled at a clearance sale then they were allowed something by the manufacturer?—A. Yes.