

*By Mr. Sommerville:*

Q. The maintained average of the department was around 50 per cent?—

A. Yes.

Q. The actual mark-up maintained in the department over the year?—

A. Yes.

Mr. HEAPS: Is there anything to show that the mark-up is higher on these particular items you refer to?

Mr. SOMMERVILLE: I think you will find there will be some very interesting information, that whereas the mark-up will represent profits of 50 per cent, the cost to the manufacturer on a great deal of the stuff has been less.

Mr. FACTOR: Let us wait until we get the evidence.

Mr. SOMMERVILLE: Yes.

Mr. ILSLEY: We can identify the individual shipments that are dealt with here?

The CHAIRMAN: Absolutely.

Mr. SOMMERVILLE: Yes, we will have definite identification of a series of cases and the figures submitted.

Mr. YOUNG: Is somebody coming here from Simpsons to explain these differences in the mark-ups?

Mr. SOMMERVILLE: They will be given every opportunity to do so.

Mr. YOUNG: Is this man who is investigating the furniture factories coming here also?

Mr. SOMMERVILLE: Yes.

*By Mr. Factor:*

Q. There is one question I would like to ask. Do these mark-ups reflect also the furniture that is sold on Simpson day and sales, or is that the regular stock that is sold?—A. Some of them were sold at sales. Furniture sales are held twice a year, and some of this does represent furniture bought for the sales.

Q. Take in the volume showing mark-ups between 30 and 60 per cent; that would include items of furniture that were sold at these sales?—A. Yes.

Mr. SOMMERVILLE: Well, the quantities will probably give evidence of that. You will find 250 breakfast sets, 100 bedroom suites, 125 dining room suites.

Mr. KENNEDY (*Peace River*): Is the practice to put on special prices or lower prices for these special sales, or is it simply big advertising stuff?

Mr. SOMMERVILLE: The February and August sales must reflect these initial mark-ups, because these are carried through all the whole, and represent such a very large proportion of the purchases.

The WITNESS: Yes.

Mr. FACTOR: That is the point. There is an initial mark-up. If the sale takes place in February, the sale price is below this initial mark-up, is it not?

The WITNESS: In some cases.

*By Mr. Ilsley:*

Q. The average is very little?—A. Yes.

Q. It has never exceeded 4.3 per cent in ten years?—A. A great deal of this is bought especially for the sales, and the initial mark-up percentage is the actual selling price.

Mr. SOMMERVILLE: That is the point.