

Mr. SOMMERVILLE: We can hardly imagine that the cutting would amount to anything like 50 cents when the entire operation of making the coat apart from that is \$1.20.

*By Mr. Kennedy (Winnipeg):*

Q. Is this a well established firm or is it a fly-by-night?—A. Oh, it is a large concern.

Q. Has it been doing business for many years?—A. Oh, yes, many years.

Q. And in open competition with reputable manufacturers?—A. Oh, yes, sir.

*By Mr. Edwards:*

Q. In the district of Montreal?—A. Yes, sir.

Mr. KENNEDY (Winnipeg): I presume the name of that firm will be given to the committee?

Mr. SOMMERVILLE: Yes.

*By Mr. Factor:*

Q. In these figures that you gave us, are these the figures that you took from the manufacturer?—A. Yes.

Q. But you have not investigated it yourself personally?—A. No, sir, that has been done by chartered accountants.

Mr. SOMMERVILLE: Chartered accountants have been in and investigated this in collaboration with Mr. Johnston. I just wanted to get that particular bit of information connected with this particular purchase at this time. There are many more instances of a similar character that will be given by the investigator.

*By Mr. Heaps:*

Q. Is the price of this overcoat the regular price charged to all their customers?—A. I cannot say that, sir. It is a quantity price I imagine.

Witness retired.

G. A. ADAMSON, called.

*By Mr. Sommerville:*

Q. Now, Mr. Adamson, if you will just continue.

The WITNESS: On Statement D-4 which shows examples of price spreads on overcoat purchases, is listed in a separate section certain purchases indicated by officials of the company as being those used for a special sale of overcoats at \$25. This sale of overcoats was advertised on 31st October, 1933. The advertisement indicated that 1,200 coats were available for sale and that included therein were overcoats up to values \$65.

The invoices listed are those which officials of the company state represent 827 overcoats purchased for this sale from outside suppliers. A wide variation in mark-ups is shown ranging from 98·10 per cent on cost to 13·90 per cent with an average of 52·72 per cent on cost. On 30 coats purchased for \$45.64 each (laid down cost) a gross loss of 45·22 per cent was sustained.

In addition to the overcoats listed officials of the company state that 435 overcoats supplied from "K" factory (a factory manufacturing men's overcoats and suit coats) were also included in this sale and the invoices submitted as representing these coats indicated cost prices of from \$12.19 to \$27.50 and an average mark-up of 66·9 per cent on cost. There is no indication on the invoices that overcoats included thereon are the ones used for this sale.