

The Chairman: All right. The Witness: Consignment purchases represent slightly more than 4 per cent of the total purchase of the store and slightly more than 4 per cent of the total purchase of those departments in which any consignment purchases were made. A statement of the number of large numbers of the various items in the consignment stores representing 1933 consignment purchases was made. The Witness: The figures are in the exhibit. Most of them have a mark in the left hand column. An examination was also made of the notes by which amounts are charged back to the vendors either for merchandise sent back or for price reductions.

Q. Did you find this condition existing? The goods had been purchased on an invoice just as you indicate here. At the delivery was said that when they did not sell well, they had been returned to the manufacturer and those that had been sold were treated as having been sold on consignment. A. Yes. Q. You did not find that condition?—A. No. Consignment accounts of the various vendors were analyzed in detail and are summarized on exhibit No. 17-13. The volume of consignment purchases with their respective percentages of the total of the consignment business in 1933. A statement is given on the statement of the amounts charged back to their vendors in the various departments and where goods for price reductions. The total of \$22,818.84 charged back to the various vendors whose goods were examined. \$20,432.82 represented returned merchandise and the balance \$2,386.02 represented price reductions.

Mr. Boardman: You are not sure of the percentage of the returned merchandise? The Witness: To the total merchandise. Mr. Boardman: The 10 percent? The Witness: Of that is returned. The Chairman: The consigned goods. Mr. Boardman: It represents 20 per cent and the goods returned amount to \$20,432.82. The Chairman: About 20 per cent. The Witness: 20 per cent. Mr. Boardman: \$2,386.02 represents the amount charged back to vendors. The Witness: That about \$2,386.02 of the \$20,432.82 which was returned to the vendor was allocated in this way.

The Witness: The debit notes representing price reductions were \$2,386.02. The total consignment purchases were \$20,432.82. The debit notes represent the amount as well as the cost price, and in many cases the amount cost plus profit to the vendor was in the ratio to the original cost as the indicated selling price to the indicated selling price. That is what we mean. The Chairman: It is six o'clock and I think we will call it a day. The committee adjourned until tomorrow at 11 o'clock. The committee adjourned at six o'clock to meet on Thursday, June 11, 11 o'clock.