

*By Mr. Sommerville:*

Q. Will you continue?—A. On the statement showing the examples of price spreads in the men's overcoats department (Statement No. D4) a purchase of 304 men's overcoats at \$8.22 each from a firm in Montreal is shown. Some of these coats were sold at \$16.95 each and others at \$20 each, showing mark-ups on cost of 106.20 per cent and 143.31 per cent respectively. Officials of the company state that the low price of \$8.22 which is the laid down cost offered by the firm selling the goods was made possible because of the special purchase by that company of 6,000 yards of coating from a woollen mill in Quebec.

*By Mr. Ilsley:*

Q. You have gone back of Simpson's purchase to the prior purchase?—A. Yes.

Mr. SOMMERVILLE: That was the explanation they gave.

Mr. EDWARDS: Does that bring in Harris tweed?

*By Mr. Sommerville:*

Q. I have here a photostatic copy of the invoice of September 21, 1933, for men's overcoats at \$7.75 each?—A. \$8.22, laid down.

Q. Freight and sales tax makes the laid down cost \$8.22?—A. Yes, \$8.22.

Q. Then I observe upon this the mark-up, 54 at \$16.95 and 250 coats at \$20. The total invoice price of the coats at \$7.75 each was \$2,505.31. The total selling price mark-up was \$5,915.30 or a total mark-up over invoice price of \$3,400, which represented 135 per cent?—A. Yes, average.

Q. Average mark-up?—A. Yes.

Mr. SOMMERVILLE: Just while we are dealing with this, these are overcoats, of which you say 54 sold at \$16.95. That is \$9.20 mark-up on those 54. You say 250 of them sold at \$20; that is \$12.25 mark-up on the 250, over invoice. The laid down cost is 47 cents more in each case. It is indicative. Perhaps at this time we might ask Mr. Johnston if he has followed this through, this particular case.

The CHAIRMAN: Mr. Johnston is already sworn.

Mr. KENNEDY (*Peace River*): Is the mark-up on those two coats 106.20 per cent and 143.31 per cent?

Mr. SOMMERVILLE: Yes. That is on the purchase of \$2,500 the mark-up provided was \$2,400.

Mr. FACTOR: Do you want to follow this up?

Mr. SOMMERVILLE: I want to question Mr. Johnston.

F. JOHNSTON, recalled.

*By Mr. Sommerville:*

Q. That is, on a purchase of \$2,500 the mark-up profit was \$2,400. Have you followed back this purchase of overcoats into the factory of this firm?—A. Yes.

Q. And what further light can you give the committee on this particular purchase of overcoats?—A. An investigation was made in the factory of this firm to check up the cost of making these coats, the profit to the manufacturer, the amount paid for labour, and the following is the result of the investigation:

Material—2½ at 87½ cents. . . . .	\$2 51
Trimmings. . . . .	2 03
Cutting. . . . .	0 50
Labour (making). . . . .	1 20
Overhead. . . . .	0 73
Total cost. . . . .	\$6 79
Manufacturer's profit. . . . .	0 78
Selling price to the Robert Simpson Company Limited. . . . .	\$7 75