

the ordinary retailer. The question I was going to ask you, Mr. Adamson, is this: Does that class of operating show a profit to the Simpson Company?—A. Yes.

Q. It does show a profit to them?—A. Yes.

Q. Did I understand you to say yesterday that they impose a certain charge and then the local dealer must absorb whatever losses are incurred in the operation?—A. No, the Simpson Company absorbs any credit losses.

*By Mr. Sommerville:*

Q. Any credit losses?—A. Yes.

Q. If the local agent sells on credit then the credit losses are absorbed?—A. Yes, although the collections may be made by the agent; in the event of any loss the company absorbs that, but the agents are paid a commission on what they sell.

*By Mr. Heaps:*

Q. Is that 15 per cent?—A. It averages about 15 per cent.

*By Mr. Factor:*

Q. Do they carry stocks?—A. They carry stocks on consignment; they do not pay for these stocks.

*By Mr. Sommerville:*

Q. But the agent himself must pay for the cost of selling?—A. Yes.

Q. Out of the 15 per cent?—A. Yes.

Q. Rent, and insurance?—A. In some cases the company pays some portion of the expenses, a small proportion of the expenses, the direct expenses of selling.

*By the Chairman:*

Q. Is it correct to say then that the plan is that Simpsons supply the stock to the local agent?—A. That is right.

Q. And then the local agents sell those at prices agreed upon between the agent and Simpsons?—A. Yes.

Q. At a mark-up of 15 per cent, or 20 per cent, or 30 per cent, as the case may be?—A. The agents get a commission of approximately 15 per cent.

Q. The agent gets a commission of approximately 15 per cent for selling?—A. Yes.

Q. Then the agent does not invest his own money in the purchase of the goods?—A. No.

Q. He has really no investment at all?—A. No.

Q. Except the rental of the premises?—A. That is right.

*By Mr. Sommerville:*

Q. Have you checked to find out what additional mark-up is made by Simpsons of goods that are sold in this manner through agents?—A. I have not the detail of that.

Q. Over and above the ordinary mark-up?—A. No, I have not that.

Mr. FACTOR: I see you are dealing with Saskatchewan in the next paragraph.

*By Mr. Sommerville:*

Q. Did I find that you had an example in any of these cases of the volume of business obtained through an order office?—A. Yes I have.

Q. In a community, of the actual amount of rent or taxes paid in that community?—A. I have the volume obtained from each agent or office but I have not the expenses of the agent.