

Statement No. D7 shows the comparative results in condensed form for the three departments, individually and in total, for the past five years (1929 to 1933), and also shows the result for the previous five years (1924 to 1928), before the department was sub-divided into three divisions.

Sales: In 1929 the new extension to the store was opened and the sales of the past five years show a substantial increase over the previous five-year period. The total sales for the three departments in 1933 was \$919,443 as compared with \$927,213 in 1931, the year in which the sales were highest in the 10-year period under review.

Mr. SOMMERVILLE: Almost equal to their peak year.

The WITNESS: In 1933, sales in the men's suits department showed a very substantial decrease but this was more than off-set by the very large increase in sales in the men's custom tailoring division. Sales in this particular division were \$279,830 as compared with less than \$100,000 in the next highest year; the number of transactions in this division increased from 3,108 in 1932 (48 weeks) to 17,100 in 1933 (52 weeks). The increase in the custom tailoring division sales is represented to a great extent by the special sales of \$16.50 suits and other suits tailored-to-measure for the company by an outside firm.

By Mr. Sommerville:

Q. In that case, sales of ready-to-wear men's suits during the year 1933 decreased?—A. Yes.

Q. But the sales of custom tailored-to-measure suits increased from 3,000 suits— —A. Transactions.

Q. Increased from 3,000 transactions to 17,000 transactions?—A. Yes, that is right.

Q. You say that is largely due to these \$16.50 suits?—A. And others similar.

Q. And similar suits that were put out by the company?—A. Yes.

Mr. HEAPS: What were the other prices charged for suits?

Mr. SOMMERVILLE: We will come to that.

The WITNESS: They are referred to later.

Mr. SOMMERVILLE: They are referred to in detail later when going into the question of this \$16.50 suit.

By Mr. Sommerville:

Q. Will you continue?—A. Yes. Gross profit: It is the practice of the company to charge into the cost of sales a percentage to cover the cost of alterations. This percentage has varied from time to time and is different in the three departments. The gross profits shown on the comparative statements are after absorbing these alteration cost provisions. The maintained gross profit in the men's overcoats division for 1933 was 49.41 per cent on cost, which represents the highest gross profit percentage in the five years for which figures are available for this particular division.

Q. That is an indication of another department in which there is an increased mark-up?—A. Yes.

Q. That resulted in the highest gross profit percentage in the five-year period?—A. Yes.

Q. Yes?—A. The maintained gross profit in the men's suits division was 37.07 per cent on cost, which is approximately the same as in the previous four years.

Q. Men's suits—that is ready-to-wear?—A. Yes.

Q. In men's suits the maintained gross profit was 12 per cent less than in overcoats?—A. Yes.