

without examination plausible statements made up for a purpose, the facts connected with this manufacture furnish a very obvious explanation of the alleged enormous profits made by some of the cotton companies. The profits per annum on capital employed are paraded as if they were *bona fide* profits of so much per cent. on each dollar's worth of goods turned out, whereas they are really profits on capital turned over several times in the course of a year. Suppose that in a cotton mill the capital employed in purchasing raw material, paying wages and other current expenses, and carrying stocks until sold and paid for, be turned over every two months, and that the actual profit on each turn is seventeen per cent. On this floating capital the profit per annum would be a trifle over a hundred per cent., from the fact of its having been turned over, not once only, but six times, within twelve months. Of course this rule would not apply to the fixed capital, which is sunk in buildings and machinery, but, taking a company's whole capital employed, we can easily see how, with quick sales and prompt payments, a reasonable profit on actual cost of material and manufacture may appear a very large profit on the year's business. In any business making a complete turn-over only once a year—and the agricultural implement manufacture very nearly answers this description—it would require a considerable slice out of the actual profit on manufacturing the goods to pay six or eight per cent. interest on the fixed capital of the concern. But with a turn-over every two months, one per cent. on the fixed capital for each turn would make six per cent. for the year, while one and a half per cent on the same at each turn would suffice to make nine per cent for the year. And something like this, or very near to it, is actually going on now in the Canadian cotton manufacture, and in the woollen manufacture, too, to a considerable extent. Orders come in and are booked months ahead of the time when the goods can be delivered, and there is no carrying over of goods left on hand and unsold. Between this state of things and that in which the manufacturer has to carry goods over and wait long to effect sales the difference is very wide, and another difference comes into play accordingly, the difference between percentage of profits *per annum* to a company, and the actual percentage of profit *on the manufacture of a dollar's worth of goods*.

But, as establishments in our leading lines of manufacture increase and extend, sales must become slower, and the profits *per annum* will fall off, even should the profit *per dollar's worth of goods turned out* remain the same. This is what increasing home competition must bring us to, but we need not to weep over the prospect. By the time the change comes our industries—that is, such of them as are really suited to the country's circumstances—will have become solidly established, and the elements of newness, and doubt, and unknown venture will have disappeared. That much talked-of individual, the "consumer," for whose interests some people are so solicitous, will be getting goods of home manufacture at about the lowest living prices. "But, the poor manufacturers," say some, "won't they be ruined off-hand by this excessive competition 'which is growing up?'" We can only reply—from the consumer's point of view—that is their business, let them take care of themselves. They are having ample and most reliable forecast of the probabilities, and ought to know long before the

time when it will be necessary to take in sail. Supposing, which is the case, that it is their turn now, it will surely be the "consumer's" turn before much longer. With this certainty to look forward to, and the little exercise in arithmetic which we give to explain the puzzle of annual profits, as compared with actual profits on each turn-over, the "consumer" need not get excited over the big stories told by his too anxious advisers.

A TRADE MARK INFRINGEMENT CASE.

About two weeks ago an important trademark case—that of *Morse vs. Martin*—came up for argument on the merits in the Superior Court, Montreal, before Mr. Justice Johnson. The plaintiff, trading under the name and style of Morse Brothers, of Canton, Massachusetts, U. S., manufacturers of the "Rising Sun" stove polish, brings action against Charles Martin, Montreal, manufacturer of the "Sunbeam" stove polish, for \$5,000 damages for infringement of trade mark. Mr. W. H. Kerr, Q. C. and Mr. H. J. Gibbs appeared for the plaintiff, and Mr. W. W. Robertson, Q. C. for the defendant. Much interest has been felt in the case by patentees and proprietors of trade marks generally, owing to the nice points involved in determining whether an alleged imitation of a trade mark is or is not a fraudulent imitation, devised and designed to induce the public to buy a certain article, in the belief that they are getting another and a different one. American manufacturers of patented articles are especially interested, and it is mentioned that Mr. Gibbs has been appointed standing counsel in Canada for the United States Trade Mark Protection Association, which indicates that our neighbours in the trade mark business mean to look sharply after their interests here. The Association, however, takes no charge of this particular case, the plaintiff not being a member.

Statement of the plaintiff's case is made to the following effect: In 1861 he commenced manufacturing an article of Stove Polish, put up in small square blocks and wrapped in red paper, with a vignette or picture representing an orb rising above a body of water, with the words—"The Rising Sun Stove Polish." He registered this trade mark in Canada December 20th, 1879, it not having been necessary to do so before that year in order to protect his proprietorship of the same under our laws. Before this, however, in 1876, the defendant had commenced making and had put upon the market an article which he called—"The Sunbeam Stove Polish," but without any cut or vignette of the sun or anything similar. Defendant's trade mark, consisting simply of the words just quoted, was registered at Ottawa October 22nd, 1876. On plaintiff's behalf it is alleged that he has advertised very extensively in both the United States and Canada ever since 1874, and that, moreover, in this extensive advertising the name of the party or firm making it has been sunk entirely, the device of the rising sun and the name of the article as the "Rising Sun Stove Polish," having, since 1874, been entirely trusted to. The advertisements of the article have been published in Canada, they have been placed upon railway fences, and have been displayed on leaflets distributed throughout the country. On all the railways carrying passengers between points in Can-