

Why did Mr. Morrison, who had done the best that could be done with the machinery at Lambton, fail at Hespeler, and as soon as he par.s with the company goes to Beauharnois, and succeeds beyond any previous manager that mill ever had.

Why did Mr. Berry fail after succeeding at the mill he left? Why did the manager who succeeded him fail?

Why did six or seven different managers at Carleton Place fail? Surely we had some good men among them.

Why did all our mills go down when other mills were succeeding?

How is it that the only successful mills in the cloth trade in Canada to-day are the ones who sell their own goods? They succeed simply because they have practical salesmen who understand the inner workings of the mill, and work to the mill's interests. April, 1902, I wrote Mr. Brock as follows: "I beg of you not to make any mistake in this matter. You may change the general manager and the local manager at every mill as often as you like, but unless you change the selling department they will all fail." At the same time I made the offer that if they would give me one of the mills, with a salesman under my control, I would stake my reputation as a woolen mill manager that I would make that mill pay. But some of the directors could not see with me. At the end of the second year I was compelled to leave the company, leaving it in about the same financial position as it was at the end of the first year.

Before I left, Mr. Millicamp did all he could to get me to cut the prices on our frieze. This I refused to do, but as soon as I left the company the price on some of the lines was reduced 10 per cent., and in order to make a good showing in being able to turn out more satisfactory goods the quality of some of the lines which were sold largely, was improved at an advanced cost of from 15 to 20 per cent. I knew this was being done, and I spoke to Mr. Brock and Mr. Matthews in reference to it, and told them that if the management continued on these lines I estimated their loss would be fully \$40,000 in six months. They continued making them, and the loss for that season was fully \$50,000. When the stock was taken and the result known, then came the struggle to get prices back again. After selling lines at 80 cents on the dollar, it was hard to place orders at an advance enough to make a profit, and they did not sell enough to keep the mills running. As a result of all this we see the two mills at Carleton Place closed; Waterloo struggling to keep running, and only running at a loss; the mill at Hespeler only about two-thirds of their machinery employed, and the help discouraged and disorganized.

Mr. Morley concluded with the opinion that if the shareholders worked in harmony for the future the business could yet be recovered from the wreck in which it has found itself.

Since last issue the Master-in-Chambers at Osgoode Hall, J. S. Cartwright, the official referee in the case of the Canada Woolen Mills, Limited, has given his decision upon the application of the liquidator, Geo. Davidson, who asked that the mills be allowed to run till December. In making the order Mr. Cartwright says:

"The only order that I think can properly be made is that the liquidator be empowered to carry on the business under the control of the inspectors for a period not longer than July 16th, and that all necessary proceedings be taken in the meantime so that the mills may be sold not later than July 2nd to the 7th.

"This will require a good deal of consideration in view of the evidence of Mr. Moore as to an annual depreciation of ten per cent.

"Much will depend on the tariff arrangements of the country. If these are modified in a sense favorable to the woolen business, both shareholders and creditors will derive the full resulting benefit. If there is no such change, they will not be worse off than they are at present.

"The action of the Government on the tariff changes will not be known until the end of the month. Had there been any margin for the creditors in the way of contribution by the shareholders, so that such a substantial sum as \$50,000 or \$70,000 could be collected if necessary to meet the expenses of further unprofitable operations, I might have felt disposed to allow the shareholders to make the experiment they desire. They would then, at least, show they had the courage of their opinions, but I do not think this can be done."

In accordance with this, instructions have been issued through Cassels, Cassels & Brock, solicitors, Toronto, to call for tenders, which will be open till the 28th June, under conditions named in the advertisement elsewhere.

BROCKVILLE HAT WORKS FAILURE.

From time to time accounts have appeared in this journal of difficulties which have arisen between the members of the firm of Saulnier, Decelles & Altman, proprietors of the Union Hat Works at Brockville. When the works were removed from St. Johns to Brockville less than two years ago, the town giving a bonus of \$20,000, we had our doubts, and they have been realized, the firm, from which Altman retired some time ago, and was criminally prosecuted for damaging the machinery, having made an assignment.

On April 28, 1902, a bargain was entered into between the town and Saulnier, Decelles and Altman for the erection of a factory. A by-law to give a bonus was defeated the first time, but, on being submitted a second time, with some alterations, was carried. The town was to give \$19,000 in cash and a site worth \$1,000. The money was not all to be paid at once; \$5,000 was paid on the completion of the building and \$7,500 when the machinery was installed. \$500 was paid the first year, and \$1,500 per year was to be paid for the next four years. The machinery installed is said to have cost \$26,000, and on this and the building the town holds a mortgage as security. Last year the company received its \$500, so that altogether it has been paid \$13,000, and Saulnier & Decelles say that the \$7,500 has been earned this year. The town is the only creditor having any security on this business, though the Bank National are also creditors for \$13,750, less security to the amount of \$4,000 on the St. John's empty building. The pushing of this claim by the Bank National, together with the cutting off of trade by the Toronto fire, is given as the reason for the assignment. There are also United States creditors to the amount of about \$6,000, and Ernest Hersberger, of Montreal, has a claim of about \$14,000. At the meeting of creditors, Sheriff Dana, the assignee, submitted a statement showing the assets to be \$45,140.20, made up of \$17,490.30 stock, \$15,659.90 machinery and \$12,000 for the building. The liabilities are \$39,167.29, which does not include the mortgage of \$20,000 held by the town. There are also preferred claims for taxes, water, etc., to the amount of \$779.10, and also a bill of \$761.21 for wages. Messrs. DeGuise, Hersberger and H. A. Stewart were appointed inspectors. Saulnier has offered to pay 25 cents on the dollar if Decelles would withdraw, which he has agreed to do. This offer is satisfactory to the Canadian creditors, La Banque Nationale included, but the United States creditors ask for further details before consenting.