

DUTY ON TEXTILE MACHINES.



fact remains that they are not, because, as we said before, there is not the trade in this country to call forth a sufficient demand for them to compensate the manufacturer for the heavy cost of the requisite machinery. Granted that the N. P. is necessary to protect the manufacturers, it surely was not intended to apply to an industry that does not exist in the country. Any textile manufacturer "who wants the Dominion Government to maintain high duties upon all such goods as he manufactures, and wants the duties removed from every article he uses in his factory" shows, we think, a proper appreciation and knowledge of protection. We submit that to tax a man about one-third the value of the machinery he requires for the manufacture of his goods, when such machinery is not manufactured in the country, is neither in the interests of, nor a part of, a policy of protection. These remarks apply to blanket hemmers, machines for making fashion goods and the finest kind of knitting machines, and we have yet to learn why a duty of 30 per cent should be levied upon them.

With the keen competition of the present day it is essential that our textile manufacturer should have their mills equipped with the newest and most improved machinery so as to be in a position to turn out the very best classes of goods at the lowest possible cost to themselves and to the consumer. We contend therefore that it is the duty of the Government to foster this most important industry in every way possible and encourage the manufacturers in their efforts to supply the trade with goods, which in point of quality and workmanship, will compare favorably with the imported article. But they will never be able to do so as long as they are compelled, through the impost of a heavy duty, to purchase second-hand and discarded machines. Why do they use such machines? Simply because the first cost is so much lower than for new machines and the duty is correspondingly less. Most of our mill owners cannot afford to purchase the latest and most approved machinery and pay one-third the value in duty, and they are therefore forced to buy second-hand ones. Take the Quebec Worsted Co. as an illustration. They lost their capital twice over in trying to run a successful business with old machinery, and had to sell out recently to the Paton Manufacturing Co. of Sherbrooke, Que., for a mere song. The latter are removing the best part of the machinery to Sherbrooke, and the Quebec Worsted Co. is a thing of the past. If they had been in a position to purchase new and improved machinery they would have had a different tale to tell. Another illustration in point is the Streetsville Woollen mill which is now closed up.

We have no desire to enter into a controversy on the question of protection versus free trade. We merely wish to see every encouragement given to our textile manufacturers to produce the best class of goods. It does not seem to us good policy, in this instance at all events, to tax the many for the benefit of the few. By taxing the machinery most of our mills, as we have already said, are sentenced to buy second-hand and discarded machines, and as a result to manufacture only inferior goods, whereas if the duty were removed, instead of being killed, existing manufactories would be revived and enlarged and new ones would spring up, especially for the manufacture of fine goods, which we now import to a very large extent.

RETAILERS AS IMPORTERS.



WE TOOK occasion in our first and second issues to point out to retailers, who import their own goods, what we believed to be good and sufficient reasons why they should be loyal to local jobbers and not patronize foreign competitors. We have received the following letter from a Toronto retailer, who takes exception to our articles, as follows. I have been waiting in the expectation that some more gifted writer than myself would reply to your articles on "Retailers as Importers" but not finding anything in your last issue I don't feel inclined to wait any longer. To my mind the articles seemed to be inspired by local wholesalers and were written entirely in their interest. I don't propose to go into detail but will state generally my objections to the points brought forth in the articles in question. It is absurd to imagine that we do not carefully calculate the cost of the goods to us as delivered at our stores, including interest on all cash payments. It is also a stretch of the imagination to say that we disburse from 40 to 50 per cent. in immediate cash; one-third, or 33 1/3 per cent., at the outside, is nearer the mark. The argument that we would save 5 per cent. by purchasing from local houses is not a sound one. We get just as favorable terms and as long dating from foreign houses as from local houses and are just as liberally dealt with. There is nothing in this argument; it is as broad as it is long. The impression is conveyed that we bought largely from English wholesale houses, whereas the fact is we buy directly from the manufacturer, the same as the local jobbers. Does it not therefore stand to reason that by doing so we save the profit charged by the local jobber and can therefore sell our goods to the consumer at a cheaper price. The fact is we are doing so all the time and they know it. It isn't so much the glamour of being able to say "we import our own goods," but rather the fact that we are just as entitled to make money by direct importing, as wholesale men. Look at the wealth amassed by some of our wholesale merchants, whose names I need not mention. Why should they kick if we honestly strive to get a small share of the profits that have enabled them to erect their grand residences and live like merchant princes? I dissent entirely from the charge that direct importing leads to "the curse of overstocking with all its attendant ills of slaughter sales, etc." On the contrary, the fault lies at the door of the wholesaler. Our buying from foreign houses has resulted in the wholesale people sending an army of travelers through the country, and if they can't sell goods in a certain town because the dealers buy from other houses they make up their minds that they must have an account in that town. They look around and get some fellow, probably with little or no experience, but with \$1,000 at his command, and give him a start. They run him for a few years and after getting all his money, they turn round and say that the business is unsatisfactory, that they will have to close down on him and get a better man, and the upshot is that another bankrupt stock is thrown upon the market. That is what leads to slaughter sales, etc. Why, instead of thinking about a "glamour," we, who import our goods, are forced to do so to protect ourselves against bankrupt stock dealers. I do not blame the retailer as much as the wholesaler for this condition of affairs. Another strong reason for our being forced to import direct was caused by the conduct of the wholesale people themselves. When new goods came out they put a big price on them, advertised them extensively, and when buyers came to the city in February or March, they were allured into buying by the temptation of "April 1st," and got their stores filled up with stuff at these big prices. Then the traveler came along cutting and slashing prices, telling dealers that "this is the big end of the lot and we must clear them off." Being already filled up with stuff at the big price you told him you did not want any more, and what did he do? Why, went to your next door neighbor, who had sense enough not to be "stuffed" by the allurements of "April 1st," and sold him the same goods at 25 per cent. less than you paid for them, compelling you to sell at cost price and lose money on them. That is one reason, and a very strong one, why we are now buying from the foreign manufacturers. Let me say in conclusion that the English market is not open to dishonest and incompetent rivals, but only to men who have business capital and brains.