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An investigation into the cost of producing the Ontario Readers is now in progress to determine whether the present retail prices of these books are or are not too high. The body which has this question under consideration and upon whose verdict the settlement of it depends, is a board of arbitration, made up of three members, the respective appointees of the Chancellor of the Province, of the Education Department, and of the publishers.

In the commission, Judge Morgan is for the first, James Bain, Jr., of the Free Library for the second, and Richard Brown, of Brown Bros., for the third. The same gentlemen constituted the board of arbitration which examined into the fairness of prices on thirty-eight other school text-books last spring, and whose award verified the reasonableness of the publishers' prices on everything but the High School Drawing Course. The numbers of this series were reduced in price by that arbitration from 20 to 15 cents each.

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The issue of the present inquiry, even if it establish lower prices, will not of itself amend the unsatisfactory conditions imposed on retail trade in the authorized readers. The sole question which the contract between the Minister and the publishers makes referable to arbitration is that of deciding if the retail prices are too high. That is the only question which the arbitrators will deal with. In the publishers' contract there is no provision made for any alteration in the scale of discounts to the trade. Any re-adjustment of that all-important matter cannot be the immediate outcome of the pending award. It is also difficult to see how such re-adjustment can be a remoter outcome of the award. Even if prices are lowered, the Minister is not invested with extraordinary powers to accommo-

date the discounts to the changed standards of value, so as to make the absolute discount as much as formerly to the trader. The lack in the contract of a provision to insure the retailer in the continuance of what he gets now, virtually leaves the discount reducible, although the rate of it cannot be shifted without a violation or amendment of the contract. The comparative discount on the Readers is much lower than on any other of the authorized text-books, yet in the contracts with the publishers of the latter the value of the discounts is not left precarious upon the award of an arbitration upon the prices. In those contracts the re-adjustment of discounts is expressly provided for. Much more should it be where the discounts have been, on all hands, from the outset declared to be too low. If the present arbitration fixes a lower scale of prices it will reduce the value of the trader's discount.

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But if it is out of the competence of the arbitrators or the Minister to increase the rate of discounts now in practice given to the trade, it is not out of the power of the publishers to do so. The only point fixed in the scale of discounts by the contract is the lowest. Publishers must give AT LEAST twenty per cent. on a purchase of a dozen or more copies. Their liberty to give more than that is not touched by any clause of the contract. In the past they have made very little of this discretion, so that the trade has mostly received only the minimum rate of discount. Should the award of the commission now sitting find the prices of the books too high, it will authoritatively confirm an opinion long publicly held, that the publishers have been able to afford a paying discount to the trade.

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If there is any excess of the present prices over those submitted by the arbitrators as fairly profitable ones, the re-constructed prices should encroach far enough upon that excess to leave more than the minimum discount as an increment for the trade. This, however, would be taking in a consideration that is not in the range of the commission's enquiries, and it could only be done as supplemental to their work by a revision of the contract. By whatever means any further concession can be obtained for the trade, it should be got, and the publishers will be more reconcilable to a modification of the contract in this respect, when they perceive that they, at all events, have to give up the whole overcharge, whether all to the public or part to the trade.

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The question of how much should be given to the trade involves more detail than at first sight seems to be involved. There are considerations of what is due to the consumer, who has no choice but to buy these books. There are also considerations of what is best for the trade. If the claims of the consumer are neglected, it is not even then best for the trader that the discount should be very high. As the profit increases the number of traders will increase. It is not well, therefore, that too liberal a discount should be given, as that would increase the number of school-book stocks and diminish the proportion of the trade falling to each man. It is better that school-books should reach the public through fewer outlets at a fair rate of profit, than through more outlets at a high rate of profit. The most energetic trading methods or enterprise cannot stimulate consumption, as so many books have to be got and no more will be. A fair minimum rate of discount, is the best for the trader.

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The Education Department thinks the rate of profit to the publishers at present too high. Only upon that condition does the contract provide for the question to be submitted to arbitration. The majority of the people in this province will agree with the Department in the opinion that the publishers are getting too much for the books. That was a very generally established opinion from the outset, and it has grown more deeply rooted in the popular mind during the past two or three years. If the profit was too much five years ago, it is greatly too much now. What has enhanced it during the past few years is the reduction in the cost of material.