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DRY GOODS BENEFIT ASSOCIATIONS.



IN our last issue we referred to the fact that a movement was on foot for the formation of a Retail Dry Goods Association in Toronto. Although we are not in a position to state that any definite steps have been taken in the matter, we are assured that the agitation will not be dropped till the association is an accomplished fact. The feeling is strong that

such an association is absolutely necessary for the abolition of the evils affecting the very life of the trade and for infusing and cultivating a spirit of fraternity among the dry goods men themselves. We are told that what is wanted, to give the movement a boom, is for some one possessed of more than usual push and energy to throw himself into the breach and the majority would quickly respond to the call. We have received a pertinent letter on the subject from "H. A. S.," a retailer, and its contents are well worthy the careful perusal of everyone interested in the trade, not only in Toronto, but throughout the Dominion. He says.—"That all propositions put forth from time to time of the benefits of a mutual association amongst retail dry goods tradesmen, should have ended in nothing, seems almost incredible in such a city as Toronto. Surely it is time something was done. The late Hamilton convention spreads over a sea of possibilities, but so far we learn little of its accomplishments, and fear the thin end of the wedge is barely driven in as far as dry goods is concerned, and that there is lacking a hammer heavy enough to drive it any further. It may be the wedge is too thick. We in Ontario, and particularly Toronto, want an influential body to deal with two or three burning questions in

our midst, the little and less important ones will fall in line after. The first to overcome is the present result of failure, wholesale and retail, and the consequent crowding of retail fixtures with bankrupt stocks. In dealing with this we must commence at the bottom step of the ladder, which is the prevention of stocks coming under the auctioneer's hammer, or tender, and being made a handle of to force business out of its natural channel and demoralize trade. I think the suggestion to purchase such stocks by a mutual association, and its general distribution, is an excellent one as a start, but it has evils. The bidding for such stocks would be keen, and doubtful wholesalers, considering the continuing of credit, would rely on getting a better dividend from a failure than now. Therefore such dealing with stocks would only be a present relief, and the greater question—and the one alone deserving the formation of such an association and worthy of its careful consideration—is the endeavor to prevent so many failures by raising the standard of credit. Men with little capital and living up to a big one, without much experience and not giving it good attention; with small chances of success, but with an elastic representation of facts and plenty of cheek, go into business and get unlimited credit. Others, when money is tight and their business is in a bad state, put off the evil day by borrowing money upon unjust promises, only to make the smash greater and the dividends less. Some by getting anxious and selling at a loss, and others by more unprincipled ways, are some causes for failure, and surely wholesalers should know better than to continue crediting such businesses. Selling under cost is possibly the evil most easily distinguished, but it appears the fight to sell among the wholesale houses is so keen and the expenses of making sales so great, that they cannot see their way to arrange a systematic and beneficial mean of ascertaining the ins and outs of the parties they supply. The great expense to wholesalers of their travellers, to the extent it is now carried, and the question of long credits, are not for us to deal with. They have competitors equally keen and pushing to stand against, coming from markets they cannot hope to influence, but the prevention of credit to hopeless and unprincipled retail men, and the starting of men with small means with much risk, just to push their goods in a certain town or street, and similar abuses, are stinging facts for the retailer to urge and agitate for reform in. The result of such a movement to exporters and wholesale men would be less failures and competition and smaller expenses, with more profit and business upon a sounder basis. The questions of early closing and mutual exchange of advice and caution for retailers against bad debts, would be easy ones, and desirable for such an organization to deal with. And I feel sure that were an association started amongst us, with these views as a foundation, few of our merchants would refuse to lend a willing hand."

"H. A. S." makes out a very strong case for unity amongst dry goods men, and we shall be glad to hear from other retailers on the subject. The evils, he refers to, loudly call for reform, but nothing can be done unless an Association is formed, then every question would be discussed ably and intelligently, and united action taken to purge the trade of the many abuses that are choking the life out of it.