

## The Dry Goods Situation Reviewed.

### Prosperity Throughout Canada

In spite of the universal complaint that deliveries of dry goods are slow and irregular, a feeling of optimism, born of daily mails full of spring orders, is everywhere apparent in Canadian wholesale circles. Looking down the aisles piled to the ceiling with bolts and boxes, it seems difficult to believe that the "shortage of goods" constantly referred to, actually exists. However, everything is relative and this year's spring stock can be only judged in comparison with the stocks of other years. Prices are higher than last spring's, due to many causes all based on abnormal conditions arising from the war. However, the higher price levels appear to have very little effect on the general public, and retailers all over the country are booking orders heavily. The question of being able to obtain the goods appears to be of greater moment than the consideration of price. In many lines it will be impossible to fill repeat orders, while others have to be struck off the lists altogether before the travellers have called on more than half their customers. Predictions are freely made that prices next fall will be as high as they are at the present time, and considerably higher in many cases, as the demand for goods is everywhere in excess of the supply.

The embargo at present existing on the railways has caused a certain amount of inconvenience in the dry goods trade, although the difficulties encountered have been by no means as serious as in the case of flour, grain or coal for example, where the raw material carried is necessarily limited by its bulk. The mills have large stores of raw cotton and are therefore not embarrassed for material to carry on operations during the present transportation crisis. Some shipments from the mills to wholesale houses have been delayed for weeks. A great deal of shipping is being done by express, but the railways threaten to close down on the excess of this traffic as they have not the facilities to handle it all. The wholesale houses are therefore holding back shipments of goods to their retail customers wherever possible until conditions return to normal.

#### Cottons.

The raw cotton market has been slightly weaker of late owing to the possibility of the United States going to war with Germany and the partial cessation of Atlantic shipping. Lower values in the market for the raw material, however, are offset by many other factors which will eventually lead to higher values than ever for the finished product. Conditions existing in the United States and Manchester are such that the importation of cotton goods will be greatly curtailed. With a vast domestic trade and extensive foreign markets, the production of the United States mills is bound to be oversold. Manchester, to which we formerly looked for a large proportion of our cotton supply, will not be in a position to produce more than sufficient for the requirements of Great Britain and Ireland, owing to the labor situation which is constantly becoming more acute.

Canadian mills are very busy, being hindered only by lack of skilled labor. The dye situation is improving on the whole, although great difficulties are being encountered in certain colors. Alizarine reds are especially scarce owing to the embargo on this color in England as it contains materials used in the making of high explosives. Blacks are being manufactured satisfactorily in Canada and the United States. Blues are being turned out in fair quantity by several American works, including Indanthrene and steam blues. Greens, yellows and heliotropes are hard to get and scarce. Yellows in particular are poor in quality. The high prices asked for dyes are naturally adding to the value of printed goods of every description. Finishing materials such as starch and flour are also very high. At the recent decline, raw cotton is 3 cents higher than normal, and the market has been as much as 6 and 7 cents higher. The result of these several adverse factors in the textile situation coupled with an incessant demand for goods has been an increase of 50 per cent in the price of cotton piece goods since last spring.

Sheetings are heavily oversold, most Canadian mills being booked up for their next nine months' production. Travellers are sending in good orders for heavy colored cottons for spring delivery, many lines being cancelled as the stocks become depleted. Prints are in very good demand, although prices have advanced 25 cents since last year. Orders were placed in England very early this year in anticipation of difficulty

in delivery, and therefore these goods have already arrived. Deliveries from the Canadian mills are slower and in some cases are not in yet. Shipments from American mills to date have been fair, but repeat orders are expected to be slow. Woiles are a leading line this year.

Although Canadian firms have large orders for ginghams placed with Scottish mills, no goods are coming over on account of the shipping situation and the shortage of labor on the other side. These mills have orders booked for at least twelve months ahead. The better class ginghams have advanced 8 per cent, while the cheaper grades are up much higher. A further increase of 16 per cent is predicted for next year on all ginghams.

#### Linens.

The linen market is firm at a price level 50 to 75 per cent above last year's, with no prospects of lower values. The situation as regards the raw material is becoming more and more serious. Flax is very scarce, and is likely to continue to be so for some time after peace is declared. All supplies are being drawn from Ireland as Belgium has long ceased production. The great flax growing region of Riga is also in the line of hostilities. Government regulations of the movement and manufacture of linen goods in Ireland are stricter than ever. An order has recently been issued providing that flax which might be used for the manufacture of aeroplane cloth may not be used for any other purpose without the permission of the Director of Aircraft Equipment. Shipping conditions which have reached a critical stage are hindering the movement of both the raw material and the finished article.

The difficulties in the Canadian linen trade are daily becoming more and more accentuated. The problem seems to be where to get our stocks for the next six or nine months under existing conditions. Orders have been accepted by Irish mills and goods are promised for the near future. Fair deliveries have been made by Scotch mills on orders placed a long time ago. Small shipments of these goods keep coming in every week or two. American mills are making no pure linen, but are full up for many months on imitation goods. A big demand is reported for union and imitations which are much cheaper than all linen goods. Pure linens are also selling well as far as they go, price apparently being a minor consideration compared with the desire to obtain the goods.

#### Woolens.

The woolen industry is only second to the linen trade when it comes to insurmountable difficulties, arising from inexorable restrictions. Britain's obligation to her Allies with regard to the supply of wool and military clothing, created a situation in the beginning of last year that forced the hands of the Government and resulted in a system of state control which has completely revolutionized the industry. The first important step was the purchase of the whole of the British clip of about 120,000,000 pounds, followed by a gradually extending system of control which put practically all the processes of manufacture in connection with military requirements on a commission basis. The census of stocks and machinery was the next step, the manufacture of goods already held in sufficient quantities being forbidden. In the autumn, as the Government action so far had not been sufficient to meet the urgent needs of the case, the whole of the Australian clip was purchased by the British authorities.

After safeguarding military necessities the War Trade Department has throughout the past year followed a policy of encouraging export trade to safe destinations. With increased submarine activity on the part of Germany the shipping problem has commenced to play a leading part in the situation. In view of the present lack of ocean space and inadequate supplies of woolen goods to meet the demand, the British Government has recently ordered that before they are permitted to purchase goods all colonial or foreign houses must submit a list of their stocks, to within 5 per cent of accuracy. Certain lines which are especially short may not be exported in any case.

On this abnormal foundation the market for woolen goods is very firm with no hint of weakness while the war lasts. During the last few months, however, prices have remained fairly stationary, although on some lines of dress goods and suitings values are 25 per cent to 35 per cent higher than they were a year ago.

Considering the season, a very fair demand is being met in Canada for woolen dress goods. The bulk of the shipments are already in for the spring trade. Deliveries as a rule have been made in full although in some cases they were rather late. American deliveries have not been so prompt as usual, which is attributed in part to the prevailing freight congestion. Goods on repeat orders are exceedingly difficult to obtain. Some Canadian wholesale houses are very active, as they have made provision for their needs beforehand, and their stocks seem to be well assorted. The range of colors appears to be larger than last year's which is indicative of an improvement in the dye situation. Among the leading lines are broadcloths, gatardines, tricotines and serges, all of which are selling freely.

Both imported and Canadian made blankets are going to be very scarce for fall 1917. Owing to embargo in Britain, it is impossible to get anything like sufficient quantity of British made blankets, and Canadian makers are only allotted about 50 to 75 per cent, of the usual quantities to wholesale houses. Already lines are being sold up and withdrawn and none of the manufactures will file any repeats. This shortage is caused as much by shortage of labour as by increased demand.

#### Knit Goods.

The demand in Canada for knit goods of all descriptions during the winter has been good, and as stocks held by retailers are not large, travellers now on the road are meeting with a very fair measure of success. The mills are practically sold up, and some have already notified their customers that no repeat orders can be accepted owing to uncertainty of obtaining the necessary yarns. The labor situation is also difficult, for although female help is partly available and is proving satisfactory, yet women are unable to cope with the heavy work. Lack of needles for the knitting machines is also playing havoc with deliveries. The needles which are brought from England are very hard to get as the firms that formerly manufactured them are working on munitions. The result of these many adverse conditions has been an advance of from 25 to 50 per cent, in the price of knit goods since last spring.

There is little change to note in the knitted vest market since our last report. Wholesale houses have had restricted quantities offered to them by the mills in proportion to their last year's orders, which in most cases have been fully taken up. Repeats in this line are doubly difficult. Shipments of stockings are slow and uncertain from domestic mills, while deliveries from England are growing worse all the time.

Contrary to expectations artificial silk sport coats have met with a keen demand, and some houses are already sold up on these goods. It is only since the beginning of this month that the mills have been delivering certain lines of fleeced jerseys that have been on order for 12 or 14 months. These fleeced goods are consequently very dear, and are selling freely at \$7.50, where \$4.50 was asked retail a year ago.

Men's furnishings are in exceptional demand today, as retailers are buying freely in order that they may not be left short of goods as they were last year. Prices are strongly held in some cases at double last year's quotations, with no relief in sight.

Fingering wools are hard to get as deliveries on old orders are very slow. This is particularly the case with fine quality imported yarns as so few are released from England. Generally speaking these goods are snapped up as soon as they are received.

#### Silks.

The silk market is very strong, marked advances having taken place on the first of January and again on the first of February in the United States market. Goods are very difficult to secure on account of the lack of boats between the continent and Liverpool. Labor conditions in Europe are growing worse instead of better, as the Swiss standing army is now much larger than formerly, and in France the Government is continually calling out new classes of men for the army. War risks have increased a further 15 per cent during the past fortnight, adding just so much more to the already prohibitive cost of transportation.

#### House Furnishings.

Carpets of all kinds are suffering from scarcity of material and workmen, and values are fully 50 per cent higher than pre-war prices.

Oilecloth and linoleums are the same. The Scotch manufacturers cannot get men and as the work is too heavy for women they have to shut down. Dominion Oilecloth Co. can only fill about half their orders and will only guarantee prices from day to day.