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EDITORIAL NOTES.

ST. John's, Nfld., has suffered severely by the recent fire, and Toronto is not behind hand in extending financial sympathy towards sufferers. Among the dry goods firms who contributed we notice: Caldecott, Burton & Spence, W. R. Brock & Co., McMaster & Co., John Macdonald & Co., Gordon Mackay & Co., \$100 each, and Wyld, Grasset & Darling, \$50. Such liberal sympathy as shown by these firms deserves hearty commendation.

The De Boucherville Government in Quebec proposed to tax all wholesale houses \$100 per year. At a meeting of the Montreal Board of Trade a short time ago a resolution was passed supporting heartily the proposed scheme of taxation, but urging that small wholesale dealers not carrying more than \$10,000 worth of stock pay \$50 instead of \$100. This change would have been quite just, but it does not seem to have been made.

Mr. B. E. Walker, of the Bank of Commerce, made a happy remark when he said, "There are too many people in business." Small stores are getting to be a thing of the past, and if a two-cent railway rate were introduced, the number of town and village stores would have to be lessened. The large retail stores in the cities are certainly but surely drawing away certain classes of trade from the towns, and the "cheap" stores in the towns are destroying the villages. Ready-made clothing is being sold in the cities in increasingly large quantities, and the town tailor is losing his trade. And it

is the same in many other branches. If people want a good carpet they go to the city for it, if they can, where they buy from an assortment that the small dealer cannot carry, and at an advance on cost, which would be no profit to a small retailer. Increased means of communication facilitate this, and the retailer must study these changes carefully and see what effect it will have on his business.

Mr. Geo. Hague, the manager of the Merchants' Bank, spoke wisely in his annual report when he said: "The day has gone by forever when almost anybody could make money or make a living by opening a store and selling goods. It can't be done. Men only waste their time and energies in carrying on the business of storekeeping without previous training. But even with this thorough knowledge of the goods he sells, the retailer often splits on the rocks of giving too much credit. After doing an apparently successful business for years, he finds himself brought to a stand because his books are full of uncollectable debts. The most successful retail merchants are those whose rule is to do business for cash, and who make credit an exception." It is the old song in a new form; the old advice in different words. We hope that retailers are learning this; perhaps they all know it, but they are afraid they will lose the sale of a dollar's worth of goods if they refused to give credit. They would sooner lose \$500 a year in bad debts than to lose the profit on \$500 worth of goods by refusing to give credit. As Mr. Hague says, credit must be the exception, not the rule, if success in business is to be the result.

Wholesale dry goods men in Toronto and Montreal have been trying to shorten their terms of credit. This system of long credits has given these merchants but small net profits during the last few years on account of the number and volume of bad debts and losses. Mr. Hague, of the Merchants' Bank, gives strange advice when he says: "The attempts made to curtail unreasonable credit are worthy of the support of all bankers. But until we have such a continued scarcity of money as to compel heavy curtailment of discounts, we can scarcely hope that anything we can do will have much effect. Such a scarcity would probably bring about a lasting reform, and put the dry goods trade on as good a footing as it is in the United States. It does seem anomalous that what can be done in New York, Detroit and St. Paul cannot be done in Montreal and Toronto. When no

paper is taken that has longer than three months to run, and every bill is expected to be paid when due, renewals belong looked upon as the first symptoms of danger, the trade will be on a satisfactory basis." Surely credits can be curtailed without resorting to such extreme means as a continued scarcity of money. Canada's position as an agricultural country demands that her currency be plentiful, because about twenty per cent. more than usual is needed in the autumn in order to move the crops. A currency unexpansive and just suited to our needs at other seasons of the year, would in the autumn cause financial distress on account of the increased use for currency at this season of the year. The remedy lies only in the co-operation of the mills and the wholesalers. If these two bodies would combine and say we will not give long credits, the change would be made and good would be the result. But if wholesale dry goods men will continue to give long credits, they are punishing themselves as long as the custom lasts.

The trade question of this country is a very important one, and a subject which we would like to discuss; but if we said anything we would lay ourselves open to the disgraceful charge of mixing in politics. That is, if we were politicians we would be disgraced, and no person would read THE REVIEW unless they were politicians of the same hue as ourselves. It is very strange how many people shun new ideas or ideas which are different to the cobwebbed ones they store up in their dusty top-hat. The Imperial Trade Congress has met, and the delegates have exchanged ideas. The delegates from Toronto were there, and they voted for preferential trade. What would it mean to the dry goods trade? On the bulk of our goods it would mean lower prices, and perhaps an increased consumption. The benefit would be to the consumer both in buying and selling. But for the present the proposal is laid on the shelf, and we must wait until Gladstone leaves office before it can be broached again successfully. In the meantime, we might have free trade with Great Britain, and thus secure cheaper dry goods. But this would be a long step away from the policy we are pursuing. Again, the result of the elections in the United States next November may introduce some new probabilities and possibilities with regard to trade. In the meantime Canadians had better learn to look at all schemes carefully but distrustfully, say nothing, but watch the politicians closely and make the best of existing circumstances.