

The Dry Goods Situation

Prices Continue to Soar as World Conditions Grow Critical

(Special Staff Correspondence.)

Very similar conditions prevail in Canadian dry goods circles as at the time of our last report in Oct. Goods in the interim have become scarcer on many lines as heavy orders from retailers have depleted the stocks on the shelves of the wholesalers, and the difficulty of replenishing is constantly becoming greater, both from domestic mills and English sources. Prices consequently have risen in the majority of cases, and new goods are invariably higher. Remarkable values are to be seen in many retail stores however, where stocks of goods left over from last year are being sold on the basis of their original cost. This is doubtless the outcome of keen competition, but nevertheless it is greatly to the retailers' credit that in many cases they have not based prices on present market conditions.

Cottons.

The trend of the raw cotton market has been a continuous advance, apart from a few minor setbacks, during the past two months, and cotton piece goods have followed closely in the wake. The final published statistics of the United States cotton crop amount to in the neighbourhood of 12,000,000 bales, or considerably under average production. Against this shrinkage in available supplies must be placed an increased demand for cotton materials, due to even greater shortages in other lines. Apart from the fact that cottons are actually replacing woollens, silks, and linens owing to the prohibitive prices quoted on these articles, a great deal of cotton is going into union mixtures, particularly in the case of linen sheets and towels, and woollen blankets.

Quite apart from army contracts Canadian mills have been receiving exceptionally heavy orders from the general trade during the past six or eight months, due no doubt to the lack of imported goods. Government returns of imported cotton goods show substantial decreases, so that obviously the Canadian mills must be taking care of the domestic trade. The prevailing shortage of labour is hindering manufacturers both here and in the States, owing to the fact that many skilled workmen have gone abroad to the war and with no immigrants coming to our shores, it has been impossible to fill their places except from those holding inferior positions. Similar conditions are met in the women's labour situation, as the number of women and girls who have gone to work at high wages in munition factories has to some extent demoralized the market. There has been a tendency everywhere to move upwards. In addition to the labour question must be considered delays in the deliveries of raw material owing to the car shortage on U. S. railways.

Wholesalers report the demand for cottons is still exceeding supplies, and prices are advancing steadily with no prospects of any improvement. Prices have never been so high since the Civil War, when cotton piece goods were two to two and a half times today's values. Orders are coming in very well on spring goods and deliveries are going out satisfactorily. Blankets are very scarce, and prices are up nearly 10% since October. Gingham cannot be had and prices are difficult to quote. Goods are becoming scarcer and prospects are for higher values, although price is only a secondary consideration, the chief object being to obtain the materials. In gingham, as in many other lines, merchants who think they are paying the top prices today will find that prices have risen very considerably in a few months' time. Prices on prints have all been withdrawn by the mills and therefore wholesale houses are still selling the remainder of their stocks at former levels, price lists being purely nominal. A very heavy increase is reported on white lawns and nainsooks from the original purchase price. New printed goods are just arriving on the market and are opening up well as far as dyes are concerned.

Imported Woollens.

In the case of dress goods, coatings and suitings, deliveries are slow and buyers are experiencing difficulty in placing their orders. Travellers are beginning to come again from England, for the first time since the war. Hitherto they have had nothing to sell, and the limited range they are offering today is so high in price that Canadian houses are afraid to touch them. Future prospects are far from reassuring.

Some merchants consider present prices too high under the circumstances, but all signs point to still higher values next season. Goods have risen no less than 20 to 25% since last May and in some cases even more. All factories in England possessing wide looms have been commandeered by the Government, which is hampering the production of staple lines. Dyes seem to be improving a little, but are by no means up to the standard yet. To give an instance of the rise in values, a dye that formerly sold at 50c a pound, is selling today at \$6.50 for only half strength, so that the present price is virtually \$13.00.

Linens.

"As time goes on the price of linens will go higher and higher and the general impression is that we shall get none at all." Such was the gloomy impression of a well informed linen buyer on his return from Great Britain last week. All cheap grades are being replaced by cottons. This arrangement is working out satisfactorily, as the finish that the Irish people are giving to the cotton imitations is remarkable, and there is no doubt but that these goods will wear better than medium linens, as they withstand the chemicals now used by laundries much more readily. The market has risen steadily of late, present values being 100% over the prices in 1914.

Deliveries are fair on some linens, but on others are delayed, owing to lack of labour. According to a recent revision of the Proclamation of last May, the British Government prohibited the export of such lines of linen goods as fall under proscribed specifications, elsewhere than to British possessions and

Linen yarn	MONTH ENDED SEPTEMBER.					
	1914 lbs.	1915 lbs.	1916 lbs.	1914 £	1915 £	1916 £
			quantity.		value.	
United States	248,500	105,900	139,700	13,281	8,307	19,291
Total Yarn	493,500	479,800	659,000	27,088	43,174	82,362
Linen manufactures:						
United States	12,586,700	3,136,400	4,871,000	385,943	121,683	210,552
Canada	740,700	630,400	555,700	16,947	17,488	20,778
Total piece goods	16,751,700	7,834,700	10,598,900	525,514	330,263	526,465
Total value linen manufactures				77,802	485,805	771,031

protectorates. Other grades of linen can only be exported accompanying an official certificate. It is also of interest to note from the above table that the linen exports of the United Kingdom have considerably increased in 1916 over the 1915 totals.

Silks.

Silks in sympathy with all other textiles are fairly booming and the fact that prices are rising daily in no way appears to be checking the demand. The New York market is exceptionally busy, according to a Montreal silk dealer who recently returned from that metropolis. The highest figure at which silk has ever sold in the history of the American market was recorded on Dec. 6, when \$10.00 a pound was paid in New York for silk in the grey and \$7.50 for raw silk. Prevailing prices up to two or three weeks ago have been from \$5.00 to \$6.50 for grey silk. These prices are the direct reflection of the Swiss market which is rising enormously according to latest cables, with no tendency to react. The English market is nearly all sold out. The Japanese market has also touched unprecedented levels. The printing situation is becoming very difficult in New York, prices for printing having gone up over 125% during the last couple of years. Production is limited for this reason as well as owing to labour complications, difficulty in securing raw materials and above all the inadequacy of available dye stuffs. Taffetas silks are rising constantly as this line promises to be a favorite for next season. People have tried to put it aside, but there does not seem to be anything on the market to take its place. Crêpe de Chine is strong, also sport cloths and all descriptions of pongees. Jersey silk and jersey wool cloths are extremely strong for spring, and the market is almost sold out for late delivery. Linings have become more elaborate in general for fur goods and costumes. Velvetens are very scarce.

Knit Goods.

Popular priced-knit goods are now practically eliminated by all the mills, most lists starting with the medium lines, as the poor qualities are cut out altogether. Prices have risen 40 or 50% since last season. For example, children's mitts and caps that sold last winter at 25c retail will be 35c to 39c this year. Stockings are similarly situated. Mills are now showing new goods in ladies' and children's vests, but all orders are limited and goods are scarce. According to mill quotations the cheapest women's vests that used to sell retail at 25c will work out to a cost of 27 cents to the retailer or on a basis of approximately 10% advance, and will probably sell at 39c each. Jerseys are very hard to procure. The \$6.00 quality has been \$9.00 for the last six months. The demand for jerseys is nearly all drifting into brush goods, for which prices are about \$3.50 a piece wholesale, and silk sweaters may be ultimately replaced by these lines. The wool and silk jerseys are being replaced in spring goods by cotton woven in fancy textures, with stripes prevailing. Knitting wool that sold at a dollar last year will be \$1.35 this year. English 4 ply fingering has been coming forward more freely during the last 2 or 3 months. Wholesale houses are only receiving sorting orders on winter knit goods, as everything of value has been picked up already, and shelves are almost bare in many cases.

The dollar umbrella is practically eliminated from the market, for while one can still be had at this price retail it is not worth buying. The advance has come about chiefly owing to the increased cost of the metal parts. Umbrellas are now procurable only in the American market, as formerly Austria held the greater part of this trade. The Americans are supplying the world in cheap umbrellas, and consequently have more orders than they can fill. Braces have risen nearly double in price, owing to the cost of the leather tips and the fact that the metal fastenings are practically unprocurable. The 25c line has gone out of existence. Braces that formerly sold at \$2.25 are \$3.00 to \$3.25 today, and scarce at that.

Wholesale prices of a few standard cottons follow:

Prints:		Per Yard.
Low Canadian, 30-in cloth	10c-13½c	
Standard Canadian, 31 to 32-in. cloth	12c-15½c	
Light and printed ducks, 28-in	14½c-16c	
Ginghams:		
First grade manufactured by Canadian		
Colored Cotton Co.	13½c	
Do Second Grade	12½c	
Foulards:		
Cambric	9c-9½c	
Cottons:		
(Lines that sold at 7½c in spring 1915.)		
Bleached	13½c	
Grey	12c	
Blankets:		
Ibex, 10¼	\$1.35	
Do., 11¼	\$1.55	
Do., 12¼	\$1.85	
Dragon, 10¼	\$1.30	
Do., 11¼	\$1.50	

U. S. GOVERNMENT LIFTS EMBARGO ON CANADIAN POTATOES.

In order to reduce prices of food staples the U. S. Government on December 5th lifted the embargo existing on the importation of Canadian potatoes.

Shipments of potatoes, it was explained, must be certified to be as sound as is commercially practicable and to contain no more than 10 per cent of tubers showing traces of disease. Heretofore Canadian potatoes were admitted only at designated ports of entry. Under the amended rule importers must apply to the Federal horticultural board for permits.

Mr. Arthur Hodgson, of the wholesale provision firm of Messrs. Hodgson Bros., and Rowson, has arrived in England on his firm's business and is not expected back for some time.