

THE ADVANTAGES OF THE CASH SYSTEM.

H. A. Miller in *The Dry Goods Economist*.

A RETAILER'S EXPERIENCE FOR THE BENEFIT OF HIS BRETHREN.

THE writer has been in the retail merchandise business for a long time and has been reasonably successful, viewed from the standpoint of a country merchant. He has sold goods for cash and on credit; bought goods for spot cash and on credit with long datings, and has discounted his bills, and let them run till due. And this is his platform for doing business, founded on his own experience and observation of other merchants, both successful and failures: Buy and sell goods for cash, and cash only.

The only surely successful way to do business is to do it for cash, and when we say cash we mean it "gwine an' a comin'." Dating ahead is only an aggravation of the credit evil. The average merchant in the country only begins to prepare to pay a bill about the time it is ready to fall due. The fact that he gets any time at all in which to pay his bills makes him more careless in his buying than he would be if he had to pay cash, and dating ahead makes him still more careless.

WHAT A CASH BASIS MIGHT DO.

If a merchant could get no dating he would be more careful not to overbuy—and overbuying is the worst trait (except selling goods on credit) a merchant can have. If he could get no time at all he would still be better off, for he would be sure to buy no more than he could pay for, and he would be obliged to sell out the principal part of his purchase before making another. That would keep his stock clean. It would also keep a lot of irresponsible price-cutting fools out of the business. It would reduce failures and assignments, with consequent assignee and trustee sales at 25 to 50c. on the dollar.

THE EVILS OF OVERBUYING.

We believe that many a merchant has been broken up for no other reason than the long time given him in which to pay his bills. Why so? Because of the long credit he has bought many more goods than he had any legitimate outlet for.

He had rosy expectations in the spring. Crops were going to be great the next fall. "I can sell lots of clothing, shoes, dry goods, etc., and I can get my clothing bills dated next June, and the other bills dated pretty long off, too. After that it will be a long time before the bills fall due in case I am not able to discount them. And surely by that time I will have all the goods sold, have the money for them and a big profit besides. It don't take much capital to do business that way."

At any rate that is what the smooth-tongued salesman says, and that is the way it looks to me this spring. But does it pan out that way? Not much. By fall crops have not been so good as we expected they were going to be (they never are), and my trade has not been so good as it ought to have been, either; and as I did not seem to be selling them for cash as fast as I thought I should, I have been a little more liberal in crediting.

UNPLEASANT REALIZATION.

In fact, feeling secure in my future on account of the long dating, I was a little careless in my buying, and when my bills came in they were larger than I had meant to have them. So, with crops poor and sales poor and collections poor, too, in the fall, I find I can hardly pay my bills when due. I do pay them, as a rule, after due; paying one a little late by standing off for a few days some other bills, I get just a little behind with everybody.

I have plenty of goods, but they are now out of season. So I buy next season again with long datings and repeat my experience the next season. Three or four repetitions of this give me a store

full of old goods, a ledger full of bad accounts and a lot of overdue bills. Then follows the usual assignment or trust-deed sale at 25c. on the dollar, etc.

SUCCESS IS AN EXCEPTION.

I really believe it would be a good thing if no open account over 30 days old could be collected, making it absolutely necessary for the merchant to both buy and sell for cash. There are doubtless level-headed, clear-brained merchants of limited capital to whom dating ahead is a great help. By reason of their limited credits they have not grown careless, but have made it a stepping-stone to riches. But they are exceptions, and I firmly believe that to the great majority of merchants any credit longer than ten days, and especially long datings, is a nuisance and a pitfall.

HERMANN H. WOLFF & CO.'S ANNOUNCEMENT.

THE trade at large will be interested to know some of the details in connection with the changes made for the coming season by Hermann H. Wolff & Co. and the personnel of the large increase to their staff, referred to in last month's issue.

British Columbia will be in the hands of Geo. A. Campbell, a gentleman most highly respected and well known in this section of the Dominion for many years.

J. J. Thorley, lately representing McMaster & Co., of Toronto, will have charge of the whole of Manitoba, where he has hosts of friends, and is esteemed by all who know him.

Another appointment is that of Mr. Shaver, also lately with McMaster & Co., and considered by the trade as a bright and intelligent man, who will take Toronto and west, north and south of that city.

The ground between Montreal and Toronto will be covered by G. W. Elliott, lately with Greene, Sons & Co., whilst Quebec, the Eastern Townships and the Lower Provinces will be in the hands of G. R. Joseph, both well and favorably known in the trade.

Mr. Maass, of New York, who has had many years experience in American advanced methods of business, and whose firm controlled some of the best accounts in the United States, has accepted the management of the department in Montreal, and attached to this staff there is another New York gentleman, Ludwig Jacobi, also well acquainted with the best methods in vogue in the States, and with a thorough knowledge of both imported and domestic underwear. These are the changes, so far, in one department only, that of underwear, and as other contemplated changes come into actual operation, our reporter has been promised information.

For the introduction and sale of the Feder Brush Skirt Protector Chas. J. Davis has been specially engaged, and as an evidence of how a good article, well brought to the notice of the trade, is received, since last issue of THE REVIEW a large number of orders and enquiries have come in by mail from all parts of the Dominion for this article.

CHIFFON BOOMING ABROAD.

A dress goods importer reports from advices received abroad that all Europe has gone chiffon crazy. Looms for weaving these gauzy fabrics are engaged ahead for some time to come, and the scarcity of skilled workmen who are able to operate looms turning out these delicate fabrics has, to a great extent, interfered with deliveries.