

similar manner, showed that these larger stores drew almost their entire trade through holding out such inducements to the people.

The merchants in this larger city make a totally different practice of price cutting from the merchants in the smaller place.

The merchants in the latter city sell their goods all around at a reasonably cheap price. They make no very great profit on any line of goods and gain no particular reputation for selling cheap, for the people naturally expect that everything should be at a moderately low price, and they are never startled by having any very remarkable bargain offered them.

Just the opposite to this, the stores in the larger city make a good round profit on nearly everything they sell except those articles which they hold out as special inducements to buyers.

The people in this city are kept in constant excitement on account of the real sensations which these stores make week after week. They will select some well-known and staple article and sell it for probably a half or a third of what it usually costs to make it. On the sale of these goods they, of course, calculate to lose a considerable sum, but they gain the attendance of enormous crowds at their store, and the liberal profits which they make on other goods far more than compensate for the loss on the bait which they hold out to the public.

The Two Systems Weighed.

The thought, therefore, presented itself to the mind of the writer as to whether the small city was not making a great mistake in its methods of doing business. The merchants are aiming to sell goods low, but are not in any sense impressing the people with this fact, because there are no particular objects which can be picked out and mentioned as presenting anything extraordinarily low.

The larger city is, day after day, and year after year, gaining a greater reputation as a business centre, simply because there is not a day in which some store is not practically giving something away to the public. These larger stores handle possibly from 10,000 to 50,000 different objects. Out of this whole number of objects there will be possibly from 10 to 20 which are sold at a loss, but these are at such a manifest loss that the people are really surprised and are so pleased at getting these things cheap they overlook the fact that they are more than making up for the loss on the other goods which they purchase.

This is what may be called progressive, up-to-date merchandising. A store is certainly in business for the profit it can make, and every store is entitled to a just profit on its goods. The stores of this larger city certainly get this profit, but, at the same time, the great excitement which they cause by selling a few articles very cheaply gives them a greater reputation than if they sold the whole stock only moderately cheap.

For instance, in the smaller town, if a merchant was getting up a sale of ladies' hosiery, and had, say, three or four different lines which he wished to mark down, he would probably mark each line with a 10 or 15 per cent. reduction all around. This reduction, while it would make the goods all very cheap, would probably only draw a few buyers who were really in need of the goods, and who knew the real value of the qualities offered.

If the same sale was gotten up in the larger city which I have mentioned, the store would probably make only a very slight, if any, reduction on the majority of ladies' hosiery, but

would take one kind and cut the price deeply, or, perhaps, even make it half of the usual selling price.

For instance, if one line consisted of black hosiery which regularly sold at 25c. a pair, it is very probable that the store would mark these down to 10 or 15c. a pair, even though they may have cost as much as \$2 a dozen. This kind of a reduction would create some excitement and bring a crowd of people to the store, and, while the loss on the one article might be quite heavy, the sales of the other goods at nearly regular price would make the average loss on the whole much less than would be the case where the store in the smaller city made an all-around reduction in price.

Cities where the merchants have been doing as in this smaller city might learn a lesson here, and change their tactics.

Believes in a Cut Being Low. To be considered bright and wide-awake, you must get the people to believe that you are going to give them something wonderful. Get them to believe that you have it in your power to sell goods for half, or less than half, what they are being sold at in other stores. This has been done, not by actually selling everything at a half price, but by really slaughtering one or two articles, while you may even make a larger profit on others to make up for it. Therefore, the secret of cutting prices seems to be not to cut everything or to make any general reductions, but to cut the very heart and life out of one or two things and make up for it on something else.

KHAKI SERGE TRADE IN CANADA.

Khaki promises to be one of the most popular colors for the coming Summer, and there is no doubt there will be a demand for this shade in all classes of goods. S. Greenshields, Son & Co. have just completed arrangements with the agents of E. Spinner & Co., of Manchester, to control the celebrated khaki serges and drills of Leeman & Gatty, who supply the British Government with the cloth for Her Majesty's soldiers.

Lord Roberts, himself, complimented Spinner & Co. on the benefits their khaki had given the army in India in the following letter :

"Commander-in-Chief's Office,

"Headquarters, Bombay.

"E. Spinner & Co., Bombay.

"Lord Roberts directs me to inform you that he fully appreciates the benefits which have accrued to the army in India, both British and native, through the introduction of Leeman & Gatty's fast dye, and offers you his congratulation on the success of the invention. The appearance of troops of all arms when dressed in khaki has, in Lord Roberts' opinion, improved immensely since your goods have been generally used.

"(Signed) EATON A. TRAVERS, Major,

"For Military Secretary."

The popularity which khaki has attained, on account of the present war, will certainly create a demand for the goods for both ladies and gentlemen. S. Greenshields, Son & Co say that a large shipment of wool serges and drills are now on the way. Messrs. Greenshields will very shortly have samples in the hands of their travelers. They, however, invite inquiries regarding these cloths, and will be very pleased to answer them.