

outside the favored few, obtain their supplies direct they have to pay the same prices as the wholesale men are required by the agencies to charge.

Again a department store buyer may go to a manufacturer of, say, underwear, and offer to buy 500 doz. if he will supply the goods at a price, probably lower than he is supplying the wholesaler. The buyer declares that if Mr. A. is not willing to take the order Mr. B. is quite ready to do so. This may not be adhering to the truth, but Mr. A., in many cases, ultimately agrees to supply the goods, although there may be no margin of profit left for him, but he resolves to get something out of the the job by hurrying his work people or cutting their wages or some other method equally pernicious.

Much more can be said with regard to manufacturers and their dealings with large retail buyers, but I desire to keep within reasonable limits.

Now, concerning wholesale houses, I suppose few people think that the "stores" are, by any means, their best customers. Their buyers make use of the wholesale houses only to supply an urgent want or to pick up cheap lines; the bulk of their goods they buy from the manufacturer or import direct; thus the wholesale man gets his profit from business with the lesser merchants and the small dealers, and yet, in face of this, the wholesale man, when he has any clearing lines to dispose of at a reduction, instead of offering the goods to some of his regular customers, sends around to the big store and clears out the whole lot at a price that gives great advantage to the large house and does a great injury to the small one. "But," the wholesale man may say, "suppose I have one hundred dozen of any article to clear out at the end of the season, I send to one of the large stores and clear out the whole lot at a price, I have no trouble, get ready money and do no harm to anyone; but if I send around to my customers and offer these goods at a reduction, one will take two dozen, another ten dozen, and so on, I have much more work selling the goods, and beyond that, I spoil my trade with these people for the next season, for while one hundred dozen might not be much to a large house, ten dozen may overstock the small one." This may be all very well for the time present, and from the wholesale man's standpoint, but it is disastrous to the retailer. The large store with one hundred dozen of any kind of goods bought at a great reduction, at the end of the wholesale but in the midst of the retail season, is able to undersell the legitimate merchant in, probably, twenty different localities within a radius of fifty miles, pay freight and gain a good profit, while the merchants and dealers in these places will have their goods left on hand; lose their ready-money buyers who have been tempted to buy in the cheapest market, and as a consequence this line of goods will not be required by these men in the following season.

Many wholesale men sell in "ten dozen lots" or "ten pieces" at a considerable reduction, again giving the advantage to a large firm or inducing the small buyer to purchase more than he can sell, and possibly more than he can pay for in time to save his discount. I have heard also that some wholesale men supply large consumers, such as hotelkeepers, at the same prices as they charge a retail man; and worse than that, some of them supply committees of ladies for church charities at the wholesale figures, and sometimes the consciences of these ladies do not prevent them adding on to the order a few articles for their own private use. Clerks in some wholesale dry goods houses can buy at the trade prices, and not only dry goods, but

groceries and most other articles from different firms, in consequence of the position they occupy, while the clerks in other wholesale houses have the same privilege with regard to dry goods. It might be interesting to enquire if the goods some of these men buy do not find their way to the homes of many of their friends and acquaintances, who are in this way saved the trouble of buying at retail establishments.

My view of the case is that manufacturers should charge one price to wholesale men and to them only, and if the necessities of trade require them to supply retailers direct, charge so much extra to the retail man as will allow a fair margin of profit to the wholesaler. I think, also, that wholesale men should decline the custom of all persons who are not in the dry goods business and supply such persons only who intend selling the goods they purchased. And all ready money buyers should be supplied at the same price, whether they take large or small quantities, the only limit being that no goods should be cut and no package of one dozen, or half dozen, as the case may be should be broken.

If there is not some change in the present method of business, I believe the result will be that many of the smaller merchants will be driven out of business, and the wholesale men, having lost the bulk of their trade, will be under the necessity of converting their establishments into great retail marts in self defence against the steady encroachment of the department stores.

Wholesale merchants, desiring the prosperity of themselves and their customers, should study such business systems as will be of mutual benefit, and not, as at present, play into the hands of overgrown merchants in a big city.

If every dry goods man subscribed to THE REVIEW and its columns were made the means of general inter-communication and the discussion of all matters of interest to the trade, both wholesale and retail, I think much good would result. If you think this is of sufficient importance to publish in your REVIEW I beg to thank you for the space.

RETAIL.

Editor DRY GOODS REVIEW.

SIR,—Under above heading in your issue of last month you editorially discuss the question of selling Canadian staples at close net prices adopted by certain Toronto dry goods firms. You also indicate that considerable talk and strife has taken place amongst Montreal dry goods warehousemen regarding the most effectual means which can be employed to put a stop to the carrying out of the policy inaugurated by said firms. In summing up your able article you have struck the key note when you state that good will result from the controversy by putting a stop to the long credit system that has hitherto prevailed, and the adoption of a cash basis at a small advance on cost.

If the question of long credits with corresponding profits and large discounts for cash and the system of short dates, net prices and no discounts are honestly and thoroughly examined, it will be found that the latter policy is the one most likely to produce the state of solvency in trade which is so desirable, and also is the policy that commends itself to the keen buyer who is prepared to pay cash for all purchases. It is not necessary to go into all the evils that have resulted from the long credit system in the past nor to enquire into the causes that have made so many who started in business either to give up or to become bankrupt. Let it suffice to take a few examples from the many that might be stated. It has been the practice of Montreal houses to sell on six months terms, from 1st October say, and ship goods. In