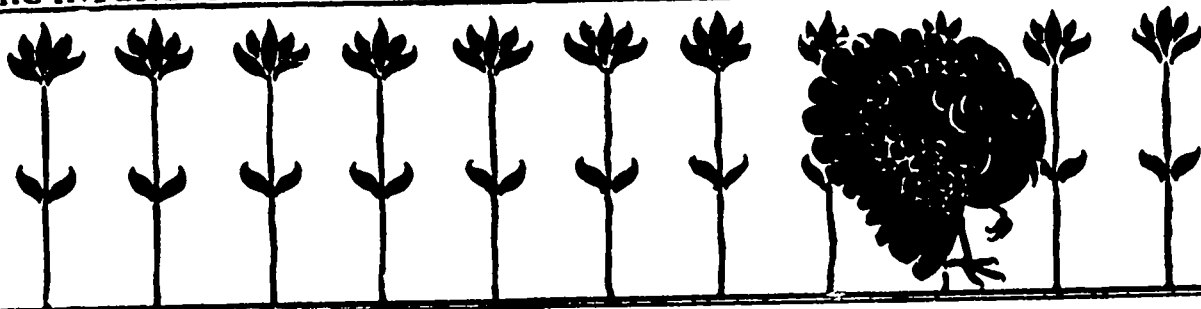


THE DRY GOODS REVIEW

IN THE INTERESTS OF THE DRY GOODS; MILLINERY; CLOTHING AND HAT TRADE



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ADVANCES IN PRICES.

CONSIDERABLE evidence of the improvement in the world's trade is furnished by the numerous advances in prices which have been announced during the past thirty days. These advances have occurred not only in domestic but in foreign goods. While some lines will be affected at once, many of the advances will not affect the retailers except on late Fall and next Spring's orders.

During the last six weeks raw silk has advanced very considerably at Canton, Shanghai, Yokohama and European centres. This, combined with a very brisk American demand for silks, has caused an advance in manufactured silk as well as the raw material. This advance in manufactured goods was announced by leading firms about July 1st, and all orders placed since then have been placed with difficulty both as to prices, terms and deliveries.

As will be seen elsewhere by our review of the wool market, raw wool has advanced four cents per lb. during the past month. This applies mainly to Canadian fleece, and thus has affected the price of domestic fingerings, hosiery, underwear, blankets, etc. But other wool stock used by both foreign and domestic manufacturers is much higher, and for new goods higher prices are being asked. This applies to cashmere hosiery, the dress goods, and all the way down to cheap tweeds and cheaper flannels.

Cotton goods are firm. A few advances are noted, but nothing very startling has been developed in domestic goods.

Cotton thread is very likely to rise soon, and all lines of cottons are splendid property at present prices.

It can thus be seen that the raw material market has shown an average advance of about 15 per cent. during the past four months. Manufacturers are slow to follow this upward movement, as they usually wait until their stock of raw material is exhausted. Jobbers follow the same principle wherever there is as close competition as there is in this market. Hence, the retailer never really feels the rise until almost a season later. There are exceptions to this rule however.

Nevertheless, the retailer must keep himself in close touch with the market. A difference of 5 or 10 per cent. in the price paid for goods makes a big difference in the year's profits. Just now there is a rising market in all lines of dry goods, and the retailer who buys freely of goods not likely to go out of fashion is sure of having a moderate stock when the rise does strike him. At such periods as this the retailer and the jobber must both have courage, although plunging is a practice to be strictly avoided.

BOOK DEBTS ARE A NUISANCE.

A CERTAIN Ontario dealer's stock was sold the other day and also \$1,700 worth of book debts. The latter brought 23 cents on the dollar. Are yours worth more?

Another failure, at River Au Sable, showed assets of \$14,000 and liabilities of \$7,000. You would wonder why the merchant failed, having such a surplus. The secret was that the greater part of the \$14,000 was book debts and could not be collected fast enough.

Similar instances to these two could be collected every month, and yet merchants go on giving credit to responsible and irresponsible parties alike. They are courting disaster; setting a trap for their own feet.

The giving of credit by retailers has been proved to be unnecessary. Hundreds of retailers throughout Canada have plunged into what seemed the icy waters of River "Cash Only," and to their own and their competitors' surprise have found the waters tepid and pleasant. Thousands of merchants stand shivering on the bank, afraid to make the plunge.

The credit system is pernicious. It causes the hair of the merchant to become gray with worry and his temper to become cross-grained and brittle. It renders his business existence unstable and thus does an injustice to himself, his family and his creditors.

Book debts are a nuisance.