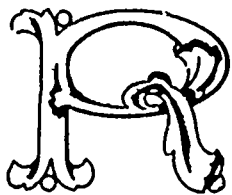


RETAILERS AS IMPORTERS.



REFERENCE has been made in another article to foreign competition as it affects the wholesale trade, and we now propose to deal with the question from a retailer's standpoint. The Canadian storekeeper is just as loyal as his American brother, and when he calmly reviews the situation, we feel assured he will find it to his interest to deal with local houses alone, and thereby compel the foreign element to go elsewhere in search of customers for their surplus stocks. The question for the retailer to ponder over is, whether he is benefitted by dealing with these foreign houses. We honestly believe that he is not, and for the following, among other reasons: Does the retailer calculate the cost of the goods to him as delivered at his store? He has to pay cash for the duty, which is about one-third the amount, and also for the freight and other charges. Does he calculate any interest on these cash payments? In other words, he gets goods dated January or February, and disburses in immediate cash from 40 to 50 per cent., whereas, if he bought from local sources the goods would be dated 1st April, without any immediate cash outlay, and if paid for in cash at that date he would get five per cent. discount. This practically is really getting $7\frac{1}{2}$ per cent. on the original cost of the goods in Britain because, as stated, the local wholesale trade gives the 5 per cent. on the customs and charges, which would be equal to $7\frac{1}{2}$ per cent. if given by the old country merchant; whereas his rate is only $2\frac{1}{2}$ per cent., and shorter dating, being a difference of 5 per cent. in favor of the local purchasing, a profit in itself. This is a most important consideration, and should not be lost sight of. Another point to be considered is this: The retailer on receiving his goods may not find them just what he expected, but he cannot send them back, as he often does with purchases made from a local house. There is a certain glamour in being able to say, "I import my own goods," but it should be borne in mind that these foreign houses have to buy their stock from the same sources as the Canadian houses, and there is, therefore, no benefit or advantage derived in the shape of superior quality or newness in styles. Retailers who buy in this way will, we feel assured, be the first to admit that it brings in its train the curse of overstocking, with all its attendant ills of slaughter sales, etc., to the serious injury and often ruin of other retailers in the same locality, who have been adopting a conservative policy in the conduct of their business. The advantages to be gained from buying just what is absolutely required from local houses are too plain to need enumerating. The crushing out of the evils resulting from this foreign competition lies mainly in the hands of the retailers. It will ultimately pay them well to be loyal to Canadian houses, as by doing so they will get rid of dishonest and incompetent rivals, who are induced to go into business by the ease and rapidity with which unlimited credit is given through the unhealthy competition at present existing, and thereby injuring in many ways honest and legitimate traders. We are not instigated by any personal considerations in exposing the evils resulting from this foreign competition, but are doing so with an eye single to the best interests of the whole trade. There are other points to be discussed, which will be dealt with in future issues.

SIR Charles Tupper is actively engaged in pushing forward the scheme for the formation of a trade route through Canada to Australia. The chief obstacle in the way appears to arise from the jealousy of the Australian Colonies in regard to the port at which the steamers from Vancouver would arrive. The steamers from San Francisco touch at Auckland, New Zealand, and then go on to Sydney, New South Wales. It is proposed that the Canadian steamers should make Brisbane the port of arrival, but New South Wales objects; besides in that case there would be no chance of New Zealand contributing to any subsidy as the service would be practically useless to her. It is to be hoped that a satisfactory solution of the difficulty will be arrived at soon, as the establishment of such a service would be of great benefit to our country.

THE WHOLESALE TRADE.



IN CONVERSATION with one of the leading wholesale dry goods merchants as to the trade for the past year he remarked, "The least said about it the better. We would like to follow his advice, but in the present condition of the trade it would be unwise to remain altogether silent. We have it from reliable sources that the wholesale trade is not in that healthy condition it should be. It may be that the volume of business for the past year was as great, if not greater, than previous years, but the profits are undeniably less. Various reasons can be assigned for this undesirable result, but it is not our intention to go fully into them at present. What is, however, admitted to be the principal cause of bad times is jealousy between individual houses, leading to keen and unhealthy competition, small margins, and heavy expenses to all, which follow each other as naturally as night follows day. So keen has the competition become that most wholesale houses have now in self defence to keep a thoroughly-equipped, well-trained and experienced army of experts, in the shape of buyers, clerks, and travellers. Some of the old established houses may not feel the effects as badly as others, but it, at all events, means to them increased expenditure and eternal vigilance. Canadian houses are also handicapped by foreign competitors who have no taxes to pay or heavy and costly establishments to keep up in this country. This is the great and growing evil of the wholesale trade to-day. Why these Glasgow, Manchester, and London houses should select the trade here and leave the trade undone in the States is the unexplainable point. It may be from the fact that the American storekeeper is loyal because he finds that by placing the whole of his trade in the hands of the local jobber the volume of his business is increased and he is able to buy large quantities of goods specially selected for the trade and sell them at closer prices all round than where this unnatural competition exists. At this critical period Montreal and Toronto merchants should endeavor to sink all jealousies, and if some of the old and experienced heads in the different houses would meet together they would be able to devise some plan for circumventing their foreign competitors and thereby protect their own capital. The danger from this source is yearly increasing, and unless some scheme of this kind is developed the trade will go from bad to worse. In another article we have dealt with some phases of this important question as it affects the retailer. The year has brought its share of failures in the trade and the retirement of some of our oldest wholesale houses. These are incidents which have their own bearing upon the future, and those who study the signs of the times may read the lessons they contain. We are pleased, however, to state that notwithstanding all these drawbacks one house, at least, was in a position to cheer its staff by handing each a substantial donation as a Christmas gift. We sincerely hope that the year now opened to us will be one of greatest prosperity to the trade, and if our grand Dominion is blessed with a bountiful harvest, 1891 will, without doubt, make ample amends for the shortcomings of its predecessors.

THE DRY GOODS REVIEW should be welcomed by the storekeeper for reasons that are so palpable that they need not be specified. It is necessary to the merchant in the cities and towns where competition is keen and the successful dealer must be provided not only with a quiverful of arrows in the shape of knowledge of the goods being produced or imported, the styles, and fall of the markets but also on such live topics as the necessity of keeping his stock down and turning it over quick and keeping it cleaned up. To the general storekeeper who handles every-day goods and shades and fewer novelties than the city merchant it should be even of more importance and interest because his most valuable stock is dry goods and millinery and he does not have the opportunity of seeing what the city retailers are offering, or rather being tempted with, before the season begins. Another point, however, for the general storekeeper who has often a smaller business and more limited means, is that he can use this journal to get the ear of his principal creditors, who are always among the Dry Goods men, in the discussion of trade questions, terms and other kindred matters, and thereby reach certain corners not at present come-at-able.