

# CANADIAN Journal of Fabrics

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## Canadian Journal of Fabrics.

### LATE "DOMINION DRY GOODS REPORT,"

A Journal devoted to textile manufactures, and trade in dry goods, clothing, men's furnishings, hats, furs, millinery and ladies' wear.

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F. S. Verney is no longer authorized to transact business for this journal. He is a young man of about 25, thin, ruddy complexion and light moustache.

#### Review of Trade.

The crop reports issued since we last went to press are very encouraging. There appears likely to be a good average perhaps more than an average—crop in Ontario, while the reports from Quebec and the Maritime Provinces are not discouraging. In Manitoba and the North-West, the acreage has largely increased, and the yield in many sections will probably surpass that of last year.

Meantime, trade in dry goods and kindred lines has been extremely dull, owing to the unfavorable aspect which was presented at the close of last month.

Wholesale merchants look for a revival next month, in view of the favorable crop reports.

The woolen mills are fairly well engaged, but the Canadian cotton trade is dull.

A delegation from the wholesale dry goods section of the Montreal Board of Trade is in conference with the Railway authorities on the subject of an autumn trade excursion to Montreal, for the benefit of retail merchants. It is proposed to hold the excursion during the latter part of August, tickets being good to the middle of September or later, so as to include the Montreal Exhibition.

#### Another Retrospect

In our May and June numbers we gave a series of facts regarding the unsatisfactory condition of the wholesale dry goods trade of Canada, this month we propose dealing with another of its causes of weakness.

Again looking backward, we find that the great bulk of dry goods sold in Canada was imported from Great Britain, and was purchased from warehousemen on a six months credit.

The duty with shipping and other expenses did not much exceed fifteen per cent. This only required a cash payment on a season's importation of £25,000, \$1,000,000, not over \$20,000. And as goods sold to retailers were generally paid for within the six months, the wholesalers were prepared to meet their payments when they became due without any extra effort.

But gradually, as buyers sought out cheaper and cheaper markets, the Canadian wholesale trade was transferred from warehousemen to manufacturers. This made it necessary for them, in most cases, to pay cash for their goods. The rate of duty, too, has been so increased that with shipping expenses it will average nearly forty per cent. This, on the £25,000, of which two-thirds (\$80,000) has to be paid in cash and \$50,000 for duty, will make \$150,000, to be provided by the wholesale merchant each season before a single note can be secured for discount. Remembering that imported goods are still sold at six months, with a forward dating averaging three months more making nine months in all, we find that at least \$6,500 will have to be paid in interest each season on the above amount, or \$13,000 per annum, on account of cash purchases and duty.

When the London, Manchester and Glasgow warehousemen found that the Canadian wholesale trade had slipped away from them, they sent out their own travelers to sell direct to the retail; and these travelers were so bound by being subjected to a percentage of the loss, that they were confined to doing business only with the cream of the trade, leaving questionable accounts and small buyers to their Canadian brethren. And as these men thus left are seldom able to meet their bills when due, credit has to be further prolonged from three to six months.

It will be seen then that Canadian houses must have a large capital at command, compared with the volume of their business, or be accorded unlimited accommodation at the banks. Practically, then, most of the wholesale dry goods houses in Canada are in the hands of the banks, and were these institutions to force matters, few if any of these houses would prove solvent. Although showing a large surplus on their books, their estates would seldom pay over fifty cents on the dollar.

The only remedy proper to cope with this unhealthy state of trade is a shortening of credits, for few if any houses can continue on small profits to buy for cash and sell on long dating without loss. Although combinations are spoken of as only evil to the consumers, they sometimes accomplish good. It does not seem out of place to suggest that if the different firms composing the wholesale dry goods trade were to combine to materially shorten credits, they would be working not only for the good of themselves but of the whole country.