

Unsettled Markets Bring Heavy Losses To Local Merchants

The Argus has been in receipt of a number of letters from merchants in various parts of the city, who thought was an attempt at a strike on the part of the Rock Island, and in some cases, this paper and the Argus have been the victims of our subscribers' attacks. It is our policy to publish all correspondence, but we do not publish the names of our subscribers unless they are of public interest. (Editor's Note.)

With a view to enlightening the general public as to the position the merchant is taking at this time in the matter of transacting business, the writer spent the entire day Friday interviewing the leading merchants and business men in order to ascertain first hand what measure of profit was being exacted by them from the buying public.

I have in no case confined myself to their bald statements, nor am I in any case using any facts not coming from the merchant himself regarding his business affairs, the present cost of his commodities, nor what measure of profit he hopes to accrue from the prices he gains through his salesmen.

I went deeper. I secured from many of the merchants letters sent them by jobbers for their personal perusal only. By this means I hoped to secure evidence behind which the buying public cannot go. They must rest their case against the merchant with the evidence which these letters adduce. They are the last word both to the merchant and the ultimate consumer.

Cannot Cancel Orders.
In many cases merchants had made their contracts for some of next year's output in various goods and subsequently sought vainly to cancel them when they found that during the past two months the market had dropped so appreciably as to alarm them at the prospect of heavy losses. In one case, that of the Ullemeyer store, the proprietor sought to cancel a large order for straw hats for next season's stock, after Ullemeyer had read an article in a trade journal in which the writer had for a long time been telling the market for the coming year and setting forth his reasons for the slump. Following is the letter received by Mr. Ullemeyer:

Baltimore, Md., Nov. 29.—J. J. Ullemeyer, Rock Island, Ill.—Dear Sir: Your letter of Nov. 29 received, and in reply would say that your order has been placed in the course of manufacture, and it would be impossible for us to make any change in the order at this time.

We have read the editorial from the National Retail Clothier, regarding their advice to the straw hat manufacturer, and in regard to this editorial would say that we have come to the conclusion that the writer of it knows absolutely nothing about the straw hat situation. It is very easy to sit at a desk and talk in the tone that this editor has, but it is a different proposition to go out and buy raw materials and hire labor with which to make lower priced merchandise.

We are actually delivering our hats at cost today, even at their present high prices, and do not even have the normal profit which we can sacrifice to the benefit of our customers. If we could make any large reduction on our straw hats, say of \$12 per dozen, and calculated this reduction on 50,000 dozen straw hats, we would have a loss of \$600,000, and we believe that as a business man you can understand that no factory, unless it was enormously wealthy, could stand up under a loss of this kind.

We are thoroughly in sympathy with any opportunity to reduce prices, and would do so without hesitation if we could find any way by which to make lower priced merchandise, but we cannot offer any encouragement for lower prices during this season, although if lower prices do occur you will receive the benefit of any revision that we make up in our line up to May 1, 1921.

We further call your attention to the underproduction which has been going on in all the straw hat factories for the last several years, and the curtailed production which exists today, and we do not see wherein there can be any large quantity of stocks to be thrown on the market at a later date at sacrifice prices.

We regret very much that we cannot make any changes in your order at this time, and remain, yours very truly,
THE TOWNSEND GRACE CO.
Thomas J. Watts, Secretary.

"The public is quite unaware what confronts the merchant today in the way of unstable markets," said Mr. Ullemeyer. "The public does not know; for instance, that it takes months and months for a merchant to get goods after they are ordered. They do not know that we have had of necessity to buy the goods we are selling now way last summer, and at last summer's inflated prices. They are not expected to know these things and it is because of this I am trying to make clear the fact that, simply in order to keep the wheels of commerce moving at this critical time, I, in co-operation with the rest of the business men of Rock Island, am accepting a loss in a business way, whether we shut our doors or continue selling goods."

"Business, good or bad in 1921, will largely depend upon our attitude of mind," said S. Mosenfelder of the M. & K. store. "The merchants are giving the public the advantage of every decline present and anticipated, in the cost of material, labor and merchandise," he continued.

"If we think of the future in terms of halting, indecision, doubt, uncertainty, fear—so it will be. If we have courage to go ahead, to plan, to devote our energies with determination to make 1921 a big business year, so it will be."

"All fundamental conditions point to a speedy resumption of good business, but we must all do our part. As far as the M. & K. store is concerned, we believe that 1921 has every promise of a good business year. Our business policies are based entirely upon the confident expectations of general prosperity throughout the nation in 1921," said Mr. Mosenfelder.

Following is a letter received by him from one of the largest mills in the east which tends to show just what conditions confront that industry and its plans for meeting them in future:

Important Notice to Customers.
Fort Wayne, Ind., Dec. 9.
The Wayne Knitting Mills is confronted with a most unusual situation, which, because of its vital nature, we feel must be brought to the attention of our good friends and customers. As you know, a steadily declining market has prevailed during recent months, which we have made every effort to meet by proper price reductions. These price reductions have of necessity compelled certain readjustments in wages to employees, such as withdrawal of special war bonuses, with the result that for the first time in 19 years we now have a strike in some of our manufacturing departments—this in spite of the fact that during all these years only the heartiest cooperation has existed between employees and management.

It is with much regret, therefore, that we have come to the decision that until the factory is again operating at full capacity, we deem it advisable not to solicit or accept any orders for future deliveries. Under this arrangement we will confine our sales to mail orders for immediate delivery, and ask our customers to limit such orders to a 30-day supply. This applies to all customers, including those merchants who favored us with memorandum orders for spring delivery. We are pleased to say that good stocks of leading numbers are on hand, and with such goods as we can continue to finish, we believe we can keep our customers supplied.

Our chief concern is to keep all our customers supplied with Wayne Knit hosiery, and we hope to have their full cooperation in working out this selling plan. Due to unsettled market conditions, many of our customers will probably prefer to operate their hosiery departments temporarily on this basis.

We extend our hearty good wishes for a satisfactory holiday business and an early stabilizing of present market conditions in the new year. Yours very truly,
WAYNE KNITTING MILLS.

"Doubtless you remember the kind of suspenders your dealer formerly threw in when you bought a \$15 suit of clothing," remarked Mr. Mosenfelder. "Then glance at this price per dozen on suspenders from the largest maker of that commodity in the world," said he. "Here you have it, \$10 a dozen, and no better in any respect than the ones we used to throw in with every purchase. I wonder if the public will believe that?" he mused.

"Nobody is attempting to do any proselytizing to any great extent at this time on what turns the market is going to take," said H. E. Sudlow of L. S. McCabe & Co. "It is unquestionably a fact that the press and the government have in many ways helped create the present chaotic state of mind which now evidences itself on every hand, with particular reference to merchandising."

"Like all of our business contemporaries, we are striving to give all the force we can muster to give the public the best the market affords at as near a reasonable price as conditions will warrant. The public, I believe, needs to be taken into the merchants' confidence in order that they may know these conditions from our angle."

"It is a fact that the public, when they read of a reduction made on any commodity today, honestly expect to walk in this store tomorrow and avail themselves of that eastern reduction, not stopping to think that it may be six months or even a year before we may be able to buy stocks covered by these self-same reductions."

"Here is a letter which will show your readers one slight angle of conditions in the east, and which, I believe, will bring them a little closer to the truth regarding trade conditions. The public, I know, will appreciate more fully hearing something from our side of the question," said Mr. Sudlow.

New York City, Dec. 4.
L. S. McCabe & Co., Rock Island, Ill.: The demand for merchandise for immediate selling continued fairly brisk during the week just passed, and all stocks are reduced to a still lower point.

A great many merchants seem to be laboring under the impression that merchandise can be bought at one's own price, but generally speaking this is wrong, for certain types of garments are selling well at far from sacrifice prices. One of our accounts arrived Monday to purchase 150 high class coats for special selling. Three days were spent shopping, 85 representative houses visited, and a total of 22 coats purchased. There are some cheap and medium priced coats around, but practically none at all in better grade garments, and manufacturers having a few are demanding and getting good prices.

This condition brings to our attention again the law of business—regardless of cost of production, supply and demand always governs prices."

Mill fabric mills have made further reductions in their materials in the last few weeks, and while manufacturers are producing coats of this material for a great deal less money, stocks have not accumulated.

Spring suits and silk dresses are receiving a great deal of attention at this time and several showrooms visited during the week were found filled with buyers placing orders.

A peculiar condition exists as regards suits for the coming season, for the high grade garments show very little difference in prices over a year ago, whereas the cheap merchandise show great reductions.

More confidence and optimism is felt throughout the market regarding the approaching season than has been noticeable in some time. The threatened strike in the cloak industry is furnishing a great deal of food for thought, and coming at a time when all commodities are on the downward trend, everyone is wondering as to its effect, for the buying public are not in the proper mood to see advances, and all indications point to a long and bitter fight. According to best information at hand, this strike is to take place Jan. 15.

Awaiting your commands, I am
Very truly yours,
ARTHUR MINCER.

Tom Haage, proprietor of Haage's tailoring store, and an extensive user of woolen fabrics for men's wear, stated that the only assurance he had thus far of any decline in prices came from very authentic sources and disclosed the fact that spring would see a reduction of approximately 25 per cent.

One merchant says that he is now offering a reduction of 30 per cent on all goods in his store, or 5 per cent more than what may be expected next spring.

At Young & McCombs department store the volume of business is quite up to Yuletide period expectations, yet, while following out the policy adopted by all Rock Island merchants, the discounts offered as trade inducements to the general public has rendered their profit sheet nil, according to Robert Karlowa of that establishment.

The following letter received by J. A. Gustafson from L. Adler Brothers & Co., one of the largest ready to wear clothing manufacturers in the world, will in a measure outline for Argus readers what is going forward in the clothing world, and will doubtless have its influence in their conclusions whether or not the merchants of Rock Island are receiving these so-called profits alleged to have been made by the uninitiated public:

Rochester, N. Y., Dec. 4.
J. A. Gustafson, Rock Island, Ill.—Dear Sir: How am I going to merchandise for spring, 1921? This vital question is uppermost in the minds of everyone in the clothing industry—retailer, manufacturer and mill man.

It would be folly to attempt to definitely forecast conditions three to five months hence. This much we know: that you and every other live merchant must have some "new things" and that manufacturers cannot furnish anything like the usual supply.

Our judgment of the general situation is that industrial idleness spells disaster, for continued unemployment is cumulative and dangerous. Besides, a quality organization built up by years of effort disintegrates very rapidly. The great strides which have characterized the development of the ready-to-wear industry have been founded on a quality product; hence, it is of vital importance to retailer and manufacturer alike that the quality standards be unimpaired.

Ten weeks of the normal time for the manufacture of spring merchandise have passed and practically no spring goods have been made. Further delay will make it a manufacturing impossibility to deliver to you before Easter.

The manufacturers of raw materials are, in our opinion, selling their product on a no-profit basis. We have priced our line in the same manner in order to meet the public demand; of course, our prices are guaranteed.

With these facts and conditions before us, we are urging you to place definite, conservative orders now. Buy what you will need to brighten your present stock, and to do a normal spring business.

Our line for spring will be ready on Dec. 10 at our Rochester and New York show rooms. At the same time our representatives will start their regular trips.

We earnestly hope for your cordial cooperation.
Very truly yours,
L. ADLER BROS. & CO.

Regarding the general trend of business in so-called luxury goods, I found upon close study that the volume of business done by jewelers, confectioners and tobacconists closely approached normal. There is no great rush as yet by shoppers in any of these directions.

THAT INDIVIDUALITY
brought out in Meadow Brook Milk chocolates and our famous Pecan Confection—Dellant has evidently convinced the candy buyers that these two confections are in a class by themselves.

Famous Old Recipe for Cough Syrup
Easily and cheaply made at home, but it costs less all for quick results.

Thousands of housewives have found that they can save two-thirds of the money usually spent for cough preparations, by using this well-known old recipe for making cough syrup. It is simple and cheap but it has no equal for prompt results. It takes right hold of a cough and gives immediate relief, usually stopping an ordinary cough in 24 hours or less.

Get 1/2 ounce of Pinex from any druggist, pour it into a pint bottle, and add plain granulated sugar syrup to make a full pint. If you prefer, use clarified molasses, honey, or corn syrup, instead of sugar syrup. Either way, it tastes good, keeps perfectly, and lasts a family a long time.

It's truly astonishing how quickly it acts, penetrating through every air passage of the throat and lungs—loosens and raises the phlegm, soothes and heals the membrane, and gradually but surely the annoying throat tickle and dreaded cough disappear entirely. Nothing better for bronchitis, spasmodic croup, hoarseness or bronchial asthma.

Pinex is a special and highly concentrated compound of genuine Norway pine extract known all over the world for its healing effect on membranes. Avoid disappointment by asking your druggist for "2 1/2 ounces of Pinex" with full directions and don't accept anything else. Guaranteed to give absolute satisfaction or money promptly refunded. The Pinex Co., Ft. Wayne, Ind.

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M & K

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Men's \$5.00 Silk Mufflers at \$3.95.

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ROCK ISLAND