

SHARE OF MERCHANT'S PROFIT GOES FOR FREIGHT

OFTEN NOT TAKEN INTO CONSIDERATION BY CONSUMER WHEN COMPARING PRICES

Comparison of Selling Methods Prove Regular Dealers Have Great Advantage.

By David Powell (Copyrighted 1914)

In a preceding article of this series the conclusions of a factory cost were given as to the comparative buying power of different classes of merchants which very clearly demonstrated that the larger concerns have very little, if any, advantage in the buying of merchandise.

The first item of expense the local dealer has to consider in fixing selling price is freight charges. The next is his cost of doing business. In freight charges the local

The Law Governing Savings Deposits in This Bank.

Any bank combining any of the business of a commercial bank, trust company and savings bank shall keep separate books or accounts for each department, and shall keep all moneys received as such deposits, and the funds and securities in which the same are invested, at all times segregated from and unmingled with the other moneys and funds of the bank, and all bonds, warrants, notes, mortgages, deeds and other securities of every nature of such savings department shall be marked, stamped or labeled "savings department," or some similar words.

The savings deposits of any bank maintaining a savings department may be invested only in bonds, warrants and mortgages. J. W. CUSICK & CO., Bankers, Albany, Oregon

dealer has a little, if anything, the best of it. All of his goods are shipped direct from the factory by freight and much of it in carload lots that gives him a still lower rate. Against this the mail-order merchant must stand the initial freight charges from the factory to either the central or branch house, and a second transportation charge averages very high, as a large part of it is either express or patronage. That the catalogue house has no advantage here is quite apparent.

Upon a merchant's ability to properly regulate his cost of doing business depends his ultimate success or failure. To the consumer not versed in commercial terms, the true meaning of this expression is often not quite clear. It is determined by totalling all items of expense connected with the running of a business for a certain period, say a year, and the percentage this amount is of the total sales for the same period is known as the "cost of doing business." This however, is entirely apart and separate from the percentage of profit a merchant adds to the cost of an article to determine his selling price. By better methods and stricter economy one merchant may do business at a less expense than his competitor, which would enable him to sell the same article at a lower price and still make exactly the same percentage of profit on it.

It is plainly evident that if the large city stores and catalogue houses have no advantage over the small dealer in buying an article, it is manifestly impossible for them to sell it for less than the small dealer, unless their cost of doing business is less than the local merchant's. From many sources it has been learned what different merchants figure their cost of doing business and it very rarely exceeds 20 per cent. It would simplify matters very much if a few of the big catalogue houses would publish the same information. As of course they won't in order to make a comparison it will be necessary to estimate it. For example, take one of the large mail-order houses situated in Chicago.

Such a concern has an immense overhead expense entailed in maintaining a large office force as well as a corps of high-salaried advertisement writers. These are the men who paint in such attractive word pictures

the virtues of the goods sold by the house. For this work they secure the best men they can get, paying them salaries ranging from \$5000 to \$20,000 per year. Did it ever occur to you what it cost to put in your hands one of these beautifully illustrated catalogues? In their literature you are informed that they are generously given away free, postage prepaid, that represents an outlay on their part of some 25 cents, and they hope you will appreciate their efforts to aid the oppressed and down-trodden in reducing the high cost of living, etc. Now, as a matter of fact, although they put out several millions of copies of their books each year, it costs them far more than twenty-five cents.

Taking a catalogue issued for this season as one of the two largest mail-order catalogues of the country as a sample, and the same number of copies the same house sent out last year, a careful estimate shows that just for printing and mailing the cost would exceed sixty cents. Add to that, pro rata, the enormous sum it costs their staff of "ad" writers and illustrators and the total would very probably exceed a dollar. Many people receive a catalogue who do not buy a cent's worth throughout the whole year, so it is very apparent that the statement given out recently by a former employe of the house in mind, was very near the truth when he said the expense of publishing their catalogue for 1913 amounted to 8 and two-thirds percent of their total sales for the year. With their immense office force, high real estate values, general advertising, etc., it is reasonable to suppose that their cost of doing business could not by any possibility be less than 20 per cent—probably more.

If it costs the catalogue and big city houses as large a percentage of their total sales to do business, and they can buy their goods no cheaper, than the local merchant can, there is only one way left in which they can undersell him, and that is by being satisfied with a smaller rate of income on the capital invested in the business. How many of our merchants make more than ten per cent on their invested capital? Not very many. Yet the mail-order house referred to above declared a dividend last year of a trifle more than 22 per cent. A very natural mistake is made by

many people in thinking they can buy goods cheaper from a store doing a business in a large city than they can from their home town merchants. There are many reasons why this belief exists among dwellers in small towns and rural communities, but the main one is because they simply take for granted the statements made by such concerns in their advertisements and in their catalogues, without taking the time or making the effort to investigate for themselves. Many go to the large nearby cities to make their purchases because they think they have a larger and more varied stock of goods to select from. In a measure this is true, but bear in mind the fact that while considering this question, that the large city stores cater to the extremes of society, the millionaire, as well as the dweller in the slums. The successful city merchant who owns such a store, you can depend upon it, has made a most exhaustive study of his trade, and knows that he has to gather his stock from the four quarters of the globe to meet the demands made by his wide range of patrons. Just so with the merchant in the smaller towns. He has given the matter the same careful consideration. He has neither the millionaire nor the slum dweller among his patrons, so naturally does not burden his shelves with goods that he knows there is no demand for, but within the range of the needs of his community his stock is just as varied, and just as large, as that of his brother merchant in the large city.

PERSONAL MENTION

Miss Lucille Dunn of Eugene, is spending the week end in Albany. Walter Gaunt, of McMinnville, was in Albany last night for the Alpha Omega dance. Sam Yoder, of Hubbard, who has been stopping in Albany this week, returned to his home this morning. C. C. Steckley, of Goltra, who has been stopping in Albany lately, left for Hubbard today. G. T. Hockensmith and his wife and daughter left for Portland this morning to spend the day in that city. W. E. Parrish went to Lebanon

this morning.

Mr. and Mrs. Richard Warner went to Independence this morning to spend the day there with friends.

Mr. and Mrs. Ward Cyrus went to Scio this morning to spend the day with friends.

J. Hobbs, of Marion, was in town this morning en route to Jefferson to attend to business matters in that vicinity.

Elmer Russell passed through Albany this morning on his way home to Jefferson after a short visit spent in Eugene.

Harold Tregilgas and two sisters, Evelyn and Florence, formerly of Albany, are here from Portland, spending the week end.

Charles Fowler, is in from Oakville, spending the week end in Albany.

Bob McMurray, of Portland, was in Albany last night for the Alpha Omega dance.

A. E. Minnehan, of Mill City, passed through this morning on his way home from a short visit spent with friends in Portland.

Dan Zeh went to Scio on a visit this morning.

The Albany Bakery We Deliver to Any Part of the City 115-119 E. 3rd Street Bell 560 Party R Home 419 H. J. FIRCHAU CO.

A QUALITY STORE We sell the best at lowest prices Watch Repairing F. G. Will

THE BEST BAKED GOODS GROCERIES, PRODUCE and FRUITS at PARKER'S "The Sign of Quality" 136 Lyon St. Both Phones



Mr. and Mrs. Wm. Method of Seattle, Washington, who will conduct revival services at the First Methodist church, beginning Sunday morning, Jan. 3rd. A large chorus choir is being organized and Mr. Park will have charge of the music. Mr. and Mrs. Park are both preachers and singers.

ITEMS OF INTEREST FROM ASH SWALE

Ash Swale, Dec. 31.—(Special to The Albany Daily Democrat.)—Mr. Parkwell has accepted the position of clerk for Marion Coon in the post office at Shedd.

Mr. and Mrs. J. L. Harris spent Christmas with Mrs. Harris' mother, Mrs. Babcock, near Albany.

Mr. and Mrs. Burton spent the holidays visiting relatives in Ash Swale.

John Troutman is visiting his brothers Pete and Charles Troutman.

James De Wolfe is engaged in blasting out stumps for R. C. Farwell.

All are busy preparing for the

great annual hunt club entertainment and supper next Saturday evening.

Mrs. Charles Troutman's father, Mr. Hammel, is reported quite seriously ill at his home near Sweet Home.

Real Estate Loans & Insurance Collins & Taylor Hamme! Hotel Building

POCKET MICROSCOPES

Wonders Revealed by the Microscope. One little insect can be seen by the Microscope of which 27,000,000 would only equal a mite. Mould is a forest of Beautiful Trees, with Branches, Leaves and Fruit. Each leaf has a colony of insects grazing on it like cows in a meadow.



E. C. Meade, Optometrist

Our Semi-Annual Clearance Sale will begin next Monday, January 4th. The departments will have unusually good bargain prices. Everything, with the exception of contract goods and groceries, will be on sale. Be here bright and early Monday morning.

Our January Reductions Greater Than Ever!

- Long cloth, 10 yd. bolts, regular \$1.50, January price .98c
Book Fold Indian Head, 36 inch, regular 12 1/2c, at .9c
Percale, 36 inch, regular 15c, at .11c
Ginghams, regular 12 1/2c, at .9c
Ginghams, regular 15c, at .11c
Huck towels, reg. 25c, at .17c
Huck Towels, reg. 15c, at .11c
Huck Towels, reg. 10c, at .7c

- Linen Towels, regular 35c, at .19c
Apron gingham, reg. 8 1-3c, at .6c
Kimona Plisse, reg. 25c, at .17c
Hope Muslin, reg. 10c at .7 1/2c
Pillow tubing, 22c to 25c, at .19c
Bleached sheeting, 1-4, 32c, at .25c
Bleached sheeting 10-4, 35c, at 26 1/2c
Pillow cases, reg. 20c, .2 for 25c
Sheets, 81x90, reg. \$1, at .69c
Bath towels, reg. 35c, at .23c

UMBRELLAS Good standard umbrellas, for ladies and men. 98c, at \$1.17; \$1.25, at \$1.23 \$3.50 at \$2.48; \$5.00 at \$3.17

UNDERWEAR Ladies' and Children's two-piece and union suits. A good assortment of underwear at HALF PRICE

HANDKERCHIEFS Ladies 10c handkerchiefs, at .5c Regular 5c at 2 for 5c 35c Soiled Hdks, .10c

NECKWEAR Collars, regular 25c to 50c at now, .13c Regular 75c to \$1.50 Extra Special .17c

MILLINERY Special lot of ladies' hats at \$1.00 Children's at .50c Your choice of all other hats HALF PRICE

TABLE RUNNERS Embroidered table runners at reduced prices. Regular \$2.25 at \$1.38 Regular \$3.40 at \$2.23 Regular \$3.00 at \$2.07

JANUARY CLEARANCE SALE COMMENCES MONDAY, JANUARY FOURTH

EMBROIDERIES THERE WILL BE HUNDREDS OF YARDS OF FINE EMBROIDERY ON SALE.

DRESS GOODS Charmeuse silk, \$2 at \$1.33 Fancy silk, 85c to \$1, at 59c Silk poplin, \$1.50, at \$1.19 Fancy coating \$2.25 at \$1.39 Corduroy Suiting, Regular \$1.25 at .79c Play ground cloth, 15c at 11c

Suits All suits, including this season's new styles will be on sale.

Coats You can get a new coat for very little money. Radical reductions.

MEN'S WEAR. Wool underwear, \$1, at 87c Wool " \$1.50 at \$1.17 Wool " \$2.00 at \$1.57 Cotton fleece, 50c at .39c Union suits, \$1.00 at .73c Soft hats, \$3.00 at \$2.25

CORSETS A GOOD SELECTION OF HIGH GRADE CORSETS WILL GO AT \$1.00 EACH. SEE THEM.

DON'T MISS SALE!

LINENS Table linen, regular \$2.25 to \$2.50 at \$1.73 Table linen, regular \$1.50 to \$1.75, at \$1.19 Table linen, \$1.25 at .98c Table linen, \$1.00 at .87c Napkins, \$3.50 at \$2.98 Napkins, regular \$4.50 to \$5 at \$3.69

FURS You will have several months this winter to use furs. Buy now at reduced prices.

WAISTS Every waist in stock will be on sale. Here is a splendid opportunity.

BOYS' GOODS Wool hats, 65c at .43c Koverall nighties 75c at 63c Flannel Shirts, \$1.50 at \$1.32 Flannel Shirts \$1.25 at \$1.11 Boys' Waists 50c at .39c Boys Waists 65c at .51c

BUY HERE NOW

