

"recommend them being closed up at once, but I must remark that it was not only for the anticipated cash profit on sales that these Posts were established, but as a means to procure grain and country produce for the large demands of our Inland and General Business, which, in the absence of those Posts, would require an outlay yearly of a large amount of cash."

To this Report the Chief Commissioner replies as follows, under date 6th February:—

"As regards the maintenance of the Outstations on the Assinibine and at St. Anne's to secure grain and country produce for the general business, you are aware that until last year we have had to import not only Flour, but also Oats ever since 1874, although they existed in full force. * * * * *

"Perforce we will have to keep up our Establishments at Portage la Prairie and St. Anne's until we ascertain the result of Outfit 1877, which is already nearly ended, but my instructions conveyed to you regarding them through Mr. G. S. McTAVISH must not be deviated from, as I feel perfectly satisfied that orders will be sent from London to close both Stations forthwith.

"The results at Poplar Point and White Horse Plains, although apparently showing a profit, dwindle into a loss when interest is calculated on the heavy stocks carried at both places.

"I need not repeat the remarks I have already made when referring to the St. Anne Post, as they apply to it as well as to the Portage, but require its rectified account also.

"Notwithstanding your remarks that a considerable grain trade can be done at this Post without carrying a heavy stock of goods, I find its Inventory 1st June last amounted to \$31,592⁰⁰; while that of Portage la Prairie was \$45,485⁰⁰; White Horse Plains was \$22,156⁰⁰; and Poplar Point was \$30,900⁰⁰; in all \$130,135, of which \$86,397⁰⁰ represents European Goods, and \$14,505⁰⁰, Canadian and American; showing in the former case an increase of \$20,559⁰⁰, and in the latter of \$2,877⁰⁰, and placing a heavy burden on the trade in consequence, whereas it was particularly desired that the Inventories should be much reduced.

In a further Report, dated 16th February, 1878, Mr. McTAVISH states:—

"I agree with you that the Inventories at all our Outposts are far too large, and out of proportion to the amount of business done in Outfit 1876.

"The Indents for the Outfit requirements were carefully made out and based on the largely increasing business of the previous year, and we were far from anticipating such a general stagnation of trade all over the country as followed.

"Since the close of 1876, the stocks at all the Red River Posts have been very much reduced, and apart from our assuming by the Depôt everything in excess of the immediate demands of the trade as mentioned in my last letter, the Inventories now being taken will be found in a much more satisfactory state than in the previous year.

"The position of the Establishments in Red River is very different from Inland Trading Posts, and a very much heavier stock of goods is required. In the face of the many traders and shopkeepers in every line of business surrounding us, if we wish to get a fair share of custom, we must at all seasons be in a position to supply all the wants of those who deal with us, as our stores are supposed to contain a general stock of all the requirements of a community, and this cannot be done by merely importing once a year, as we have hitherto been doing, when with every precaution and forethought it was impossible to avoid running short of some articles and having an excess of others, and we should be allowed to replenish our stock as often as disposed of, and the oftener the better if at a good profit, irrespective of the amount of our Indent as limited by Council."