

The Commercial

WINNIPEG, FEB. 20, 1883.

OVERSTOCKING.

Even in commercial affairs it is well to remember the old saying, that a man may have too much of a good thing, and it is just possible that quite a large number of the retail merchants of this province have not sufficiently borne the saying in mind. It is well to have an extensive and well selected stock of goods on hand, when the prospect of a rushing season's trade is ahead; but even this can be overdone, and reports from the country, as well as the city, go to show, that although the past season has been a good one in business generally, overstocking has been of too frequent occurrence, and now that the dulllest season of the year has been reached the evil effects of the same are painfully apparent. Of the insolvencies which have occurred in Manitoba, during the past month nearly one-half have shown an excess of assets over liabilities, and in some cases where the former were partially represented by real estate, the excess has been very great. A firm in Winnipeg, whose assignment THE COMMERCIAL recorded in last issue have since compounded for 90c. in the dollar, the difference of 10c. being actually less than the expense of securing a settlement amounted to. An extension of time was all that was necessary in this case, and overstocking was what created this necessity. Several other cases have come to light during the past few weeks, which show beyond question that an assignment was the direct outcome of building up too much upon future calculations, which have fallen far short. The worst case that has as yet reached our notice is that of a man with assets valued at over \$50,000, who may have to assign ere many weeks, although his total liabilities are much under \$10,000. In his case, it is an overstock of real estate, and he is by no means the only man in such a position.

In real estate transactions, where the marginal principle has been the rule, and payments guaranteed by mortgage were substituted for open credit, it is difficult to place any check upon this system of overstocking, but in commercial transactions where the honesty of the purchaser and his business tact make up a large portion of the guarantee for payment, some

system of checking a disposition to reckless purchase should be adopted by wholesale dealers or manufacturers, and it seems as if it would not be difficult to organize a system that would add greatly to the security of houses doing business throughout the North-west. In a new country like this it would be impossible to adopt the system of references, as so many retailers are men only starting in business; but it would only be a system of ordinary business caution to demand a statement of a prospective merchant's resources before allowing him to purchase goods on credit. Had this system been followed for the last two years, much of the present strained state of commercial affairs might have been avoided. It is not too late yet to make improvements, and now that the North west is feeling the reaction natural after a period of over-speculation and indiscriminating business confidence, the time is opportune for the introduction of the needed commercial reforms.

The prevention of reckless purchasing by men who have been in business for some time, and who have to some extent made a commercial standing for themselves is a much more delicate matter to interfere with, and that work is as a rule left to the agents of trade protection associations to attend to. These no doubt fill a very necessary place in the business machinery of a country, but their work is imperfect when not supplemented by the efforts of wholesale dealers and others who sell to the retailer. A system of mutual confidence and willingness to afford information among this class would be a great safeguard against commercial insecurity, and in this new and rapidly progressing country the sooner such is adopted the better. There has been too much hidden method in the conduct of business in the past, whether from jealousy or other causes, and the safety of all demands that trade interests in the future be made more mutual.

NORTH-WEST GAMBLING STOCK.

Capitalists and speculators of older countries are apt to look upon a new and naturally rich country much in the same light as persons of mature years do upon a promising boy, when they pat him on the head, and patronizingly prophesy about his bright future, and as youth is the period during which flattery is most easily, and most heartily relished, people who have made their home in the North

west or similar countries may be pardoned, when they swallow with a feeling of pleasure the taffy bestowed upon the lard of their adoption by strangers from older localities. This pardon too requires to be made very broad and liberal so far as the residents of Manitoba are concerned, for assuredly they take kindly to the taffy. It might be well, however, for them to enquire in many cases for what purpose the soothing material is administered, and we have no doubt but it would be discovered that in most cases the dispenser had a selfish end to serve. This has been made evident in the case of many who visited the North-west with speculative intentions. From the well fixed capitalist with his spare thousands to the petty adventurer with his hundred dollars for marginal purposes, all have been loud in their praises of the great prairie land, until speculation therein brought them loss, and it is astonishing how soon their opinion of the country changed thereafter, and all its drawbacks and disadvantages were apparent to them. Such people never calculated upon the North-west as anything but a basis of speculation, and to that class may be traced the bulk of the evil reports that have been spread abroad regarding the same.

A few months since the people of Canada were tickled to think, that no less than an English Duke had become interested in the North-west, and had decided to invest millions of dollars in its lands. It may be that the Duke of Manchester by the organization of the North-west Land Company meant a system of colonization that would prove of great value to this country, and we shall give him full credit for the same. The manner of floating the company, however, completely defeated that aim if he and his associates had such. The stock of the company got into the hands of a gang of as impecunious gamblers as ever placed a margin, and the manner in which it depreciated in value thereby, has done much to prevent capital from a distance from being placed in the North-west. It was secured at first merely as something in which stock gambling could have unlimited license, and a thought of assisting in the development of the new country never entered the minds of its possessors. Like all other North-western schemes it received the taffy of its patrons at first, and their execration when it failed to real