

realised, or possibly no profit at all. Similarly, officers give, as an explanation of a loss,—the reduced valuation of the Furs. So far as the reduction of the valuation has come on them *after* the Furs have been traded, and constitutes a reduction from the tariff prices, the explanation is adequate, but it is not adequate when a comparison is made simply with the valuations of the preceding year, if, in the interval, they have received instructions, or have themselves seen the necessity, to reduce the tariff. The only hope to avoid losses on Outfit 1877 was to trade less goods against the same amount of Furs than had been done for instance in Outfit 1875, and it is scarcely a sufficient explanation of a loss in a District to point to the lower valuations of Furs compared with preceding years, if, in the interval, a change in the tariff has taken place. The knowledge of the great fall in prices as compared with those realised in the spring of 1875 and 1876 must have reached most of the Districts in the Western Department before trading Furs for Outfit 1877, and consequently, much fewer goods should have been expended for the same amount of Furs, if loss was to be avoided. The continuance and apparently bottomless character of the fall doubtless made it extraordinarily difficult for the officers to do a remunerative business. Still, making every allowance for the distance of many Districts, we see less indication than we should have expected in the reports of officers of reductions in the tariff. A reduction in the quantity of returns evidently alarmed them more than a continuance of trade at tariffs which were too high. We also are inclined to doubt whether officers at the head of Departments watch with sufficient attention the amount and value of goods traded as compared with returns. It is clearly impossible to make an accurate calculation, but an approximate idea may be gained, and if in a comparison of several Outfits it appears that the value of goods traded is, after allowing for any reduction made in valuations after the acquisition of the Furs, larger in proportion to the returns than in previous years or in other Districts similarly placed, or even if they appear generally excessive in relation to the returns, immediate steps should be taken to enquire into the matter, notwithstanding that the result, of such a large expenditure of goods may be concealed by an eventual profit.

The unexpected rise in prices for Furs belonging to Outfit 1877 may give profit to districts which showed a loss in the country accounts, but the estimated loss should not on that account escape criticism, after making allowance for a reduction of valuations subsequent to the purchase of the returns. The latest letters speak of the probability of enhanced prices for Furs depriving us of the chance of obtaining a satisfactory quantity; but we have heard very little throughout the last two years of a decided and corresponding reduction in the cost of Furs to the Company.

The foregoing observations are illustrated in the case of several of the districts in the Western Department, on which we now proceed to remark.

FORT SIMPSON.

The amount traded in Outfit 1874 (exclusive of Sales) was								\$17,000,	Returns	\$14,000
"	"	"	1875	..	..	..	..	24,500	"	14,000
"	"	"	1876	..	..	..	..	18,900	"	9,000

It will be seen that in Outfit 1875, \$7,500 more goods were given for Furs valued at the same amount. The scale of valuation, it is true, was lower than in 1874. Valued at the same tariff the returns of Outfit 1875 would have amounted to about \$16,000; but still the increase in the amount traded against the Furs seems enormous, indicating that a wrong system was being pursued, and in the following Outfit when \$18,900 were traded for returns valued at \$9,000, things had become much worse. The reduction in the valuation accounts but for a small proportion of the very heavy loss which necessarily ensued.

Mr. CHARLES reported on the mismanagement of this post, which had caused him the gravest anxiety. He sent a special officer to put things straight, but on the departure of the latter, the instructions as to prices seem to have been disobeyed. We do not blame Mr. CHARLES, who seems to have taken the best steps he could, but it is very regrettable that