

now the general custom to date many months ahead. In fact competition of late, in the dry goods trade particularly, has been in the direction of allowing long credits, and one house has vied with another in extending the credit period. The result of these long credits, together with the recklessness which has been shown in granting credit to improper persons, has of course been disastrous to many houses. If some of these houses had been content with a much smaller business, the balance sheet at the end of the year would doubtless have shown a more satisfactory return. With four months' credit, and in addition orders dated as many months ahead, the wholesaler has very little chance with the defaulting creditor. Under this system, before the retailer is called upon to pay for his spring stock, for instance, he will have received his fall stock, so that he is practically a year behind in his payments.

As already stated, the long credit system is injurious to the retail trade, as well as extremely risky for the wholesalers. It leads the retailer into the dangerous custom of overstocking, and other forms of recklessness, and not infrequently it induces dishonest actions. Competition is increased on account of the ease with which goods are obtained on credit. Cutting in prices follows, then failures and slaughter sales of goods, until the trade is utterly demoralised, and well established and solvent retail firms are made to suffer from the abuse of the credit system.

For this state of things the wholesale trade is largely to blame. Many houses are altogether too anxious to sell goods, in some instances perhaps owing to the fact that the wholesale house itself is overstocked. Then new ventures are encouraged, and goods furnished to start stores in places where competition is already too keen, resulting in the end in loss to both the wholesale and retail trade.

The wholesale trade has it within its power to greatly curtail this abuse of credit, if dealers could be induced to take harmonious action. What is required is an agreement among dealers for the shortening of credit, combined with more care individually in dispensing credit. It is to be hoped that the movement at Toronto among the dry goods houses, to shorten up credit to the straight four months, and do away with the system of dating ahead, will be faithfully carried out.

THE WHEAT SITUATION.

The wheat question is ever an important one to Manitoba, and it is one which will bear frequent discussion. This season the wheat situation has been an unusually interesting, and at the same time, a very puzzling question. Those who make a study of the question have had more than the usual difficulty in arriving at conclusions, and operators have been a good deal at sea. This has been shown by the wide fluctuations which have so frequently occurred in prices, and the feeling of uncertainty which has pervaded the leading markets.

Early in the season the disposition was very bullish in the principal American markets, owing to the pessimistic view taken of the crop outlook, and the prevalence of short crop theories. Under these conditions prices were worked up to a point which it has been found impossible to maintain, and latterly the general tendency has been to lower prices. Wheat has flowed in fairly freely, despite the estimates of short crops in the United States, and the importing countries of Great Britain and Europe have been able to obtain abundance of wheat from other countries than America and independent of prices on this continent. Hence the impossibility of keeping up prices here.

The advance in wheat on this continent commenced with the beginning of last year, having its foundation in reports of damage to fall wheat. During the first few months of last year, the price of wheat averaged about 75 cents at Chicago for cash. Under the influence of crop damage reports, prices were advanced to 90 cents in the spring. Later it was found that the estimates of damage to fall wheat were excessive, and nearly the whole of this gain in prices was lost. Then came the frosts in August, which occurred throughout a large portion of the spring wheat country, and led to another "boom" in prices. This brought prices at Chicago up to about 95 cents. The Hutchinson corner in the Chicago market was the next thing in order, during which the speculative price of September wheat went up to \$2 per bushel. The successful working of the corner proved a great bull factor. Everything was bullish for a time, and prices kept moving upward until May wheat reached \$1.22, about the last of October. That proved the top notch, and prices have since ruled downward, owing to the light

exports and the awakening to the fact that importing countries were obtaining all the wheat they required, independent of the "boom" prices reached here. The decline from the top has been about 20 cents.

As to the future of prices, there is great uncertainty. If importing countries can keep up their supplies, largely independent of this continent, it is difficult to see how prices can advance. This, however, is questionable at the present time. Russia has a considerable quantity of wheat in store, but this is practically blocked up for the winter, and it will be more difficult to obtain stocks of wheat for the next two months than it has been during the past. It is therefore probable that the demand for American wheat from abroad may be considerably increased during the next two months, and prices may consequently be advanced some. Exports from the continent from the beginning of the crop year on July 1 last to date are estimated at about 50,000,000 bushels, against 75,000,000 bushels for the corresponding period of last year. These figures include wheat exported in the form of flour, and from both the Pacific and Atlantic coasts. Though exports from this crop have been light, yet they have been fairly large in proportion to the size of the crop, as compared with the crop of 1887. The usual estimate of the wheat crop of the United States for 1888 is now placed at 138,780,000 bushels, or about 25,000,000 bushels under the crop of 1887. The fact, however, that prices for wheat are now ruling higher than in recent years, and about 20 to 25 cents higher than last year, would seem to be a very good reason why farmers should sell their wheat, rather than hold in the hope of obtaining still higher prices. It is quite improbable that the high prices ruling in November will be reached again on this crop, though the unexpected sometimes happens.

One feature which has been developed as a result of the higher prices which have ruled for wheat during the present crop year, is the general move to increase the wheat area. In the United States there is likely to be a very considerable increase in the wheat area for 1889, especially in the spring wheat region, and advices from Great Britain and France report a very considerable expansion of the area sown to fall wheat. This would indicate that with an average crop next harvest, prices for the next crop will rule lower.