

from the United States of wheat and flour, represented in bushels, for the year ended June 30, 1889, were 89,000,000 bushels. These were the lowest exports in any year since the year ending June 30 1886, when exports were 84,565,000,000 bushels. In only four years, however, during the last decade, have exports exceeded the probable available surplus from the crop of 1889.

If present crop estimates are therefore realized, this continent will not only have all the wheat required for home consumption, during the next twelve months, but fully as much available for export as it is usually called upon to furnish to the wheat-importing countries of the world. Of course early wheat estimates often prove unreliable, and the situation on this continent may yet be considerably changed. Hopes for high prices are now being based on the expectancy of a large demand from Europe during the next twelve months. Various rumors have been in circulation of short crops in Russia and the Balkan states of Europe, where wheat is a leading crop, though these statements are partly offset by the prospects for a heavy crop in Great Britain and France. Still these foreign crop rumors cannot always be relied upon, and it is yet early in the season to give a reliable estimate of the crops in Europe. There is one point, however, which is reasonably certain, and this is, that choice hard wheat will command a full price this season, as compared with the relative value of other wheats. The hard wheat belt has suffered the most severely this year, and any shortage will be in choice wheat. Manitoba wheat, if harvested in good shape, will therefore likely command full value this year.

CONSERVATISM IN BUYING.

Overstocking and promiscuous buying, along with recklessness in giving credit, are undoubtedly the great evils connected with trade in the west. These three features of trade are inseparably connected. A merchant who buys carefully, so far as regards the number of houses with which he does business with is concerned, and who moreover is able to buy for cash, may overstock his premises with goods; but such instances are rare, if for no other reason than that there are few in this country who are able to buy for cash. In Manitoba and the adjoining territory, very few of our business men are in a position of financial independence. Our business houses are mostly new, and the majority have started with

light means. This makes the need of cautious buying the more apparent. While the great majority of our merchants are in such a position that great caution in assuming liabilities is necessary, the few who are really in a position to buy freely and widely, if they choose, are not likely to receive any harm from occasionally considering the conservative side of business questions.

As already stated, promiscuous buying and free credits lead to overstocking. It is surprising what a quantity of goods will accumulate in a store in a short time, if only just a trifling order is given to every traveller who comes along. The merchant who follows the system of wide or promiscuous buying, is almost certain to find his shelves loaded up with a quantity of goods which he does not need. If the goods are not actually unsaleable they are turning over so slowly that they are unprofitable, and they have to be paid for long before a considerable portion of them can be sold. A system of promiscuous buying simply means the placing of many orders which would not otherwise be given, and it is as plain as anything could be, that the direct result of such a policy must mean the accumulation of goods.

Easy credit also leads to overstocking. It is a peculiarity, that to the great majority of men the future always looks prosperous. This comes from the feeling of hope, which is present more or less with all of us. Now, then, men never hope to be in poorer circumstances at some future day. Hope always works in the opposite direction, and in the most of people this hope amounts to an expectancy, and even actually to a belief. True it is a very pleasant sentiment, but often one which proves misleading, and this exuberance of hope in many people frequently gets the better of their judgment, and leads them into trouble. Thus it may be seen that this very sentiment of hope is sometimes the direct cause of failure and actually defeats itself. If the man had been less hopeful, he would have avoided the risks which led to his failure, and ultimately have succeeded. Let us apply this reasoning to the very hopeful merchant who buys on credit. He knows that he is not at present in a position to buy a large stock of goods, and if he had to pay cash, or buy on short time, his purchases would be very light. But when the traveller, who comes around in the spring or early summer, offers him four months from the first of October, his very hopeful disposition gets in its work. The date of payment is a long time ahead, and some how or other things will be all right for meeting the liability by that time, and a large order is given. Thus it is that long credits lead to overstocking.

In Manitoba and the Territories overstocking is the rule, perhaps more so than in any other part of Canada. It is also the case that there is no part of Canada which is so closely drummed for business, and where more inducements in

the shape of long credits, etc., are held out to buyers, than in this western country. A case was reported the other day of a provincial merchant who had done \$10,000 worth of business in the year, and who carried a stock of \$20,000. Could any man hope to succeed with such a record? Yet there are plenty of similar cases to be met with here, where the stock carried is in excess of the annual turnover, and this with the business carried on on a credit basis at that. Instead of the stock exceeding the turnover, the annual turnover should at the very lowest calculation be double that of the average amount of stock carried. Merchants trading on a credit basis should understand that their salvation rests almost entirely upon the rapid turnover of their stocks, of course at profitable prices. There can be no hope for success in any other way. In buying, the very first thought should be as to the quantity of goods which can be profitably turned over in time to meet the liability assumed, and the prudent merchant will always seek to calculate within rather than outside the mark. To purchase in excess of probable minimum turnover is often to court failure. No matter how long the term of credit offered may be, the goods must eventually be paid for, if the transaction is an honest one, and dates which seem a long way ahead, come around in a wonderfully short time—so soon sometimes that perhaps a slaughter sale, with all its demoralizing effects upon trade, will be resorted to, in order to endeavor to work off the surplus stock, even at a loss, to meet payments for goods which (or at least a portion of them) should never have been purchased.

In this matter of overstocking the buyer is not always alone to blame. The seller who resorts to all sorts of schemes, some of them of anything but an honorable business nature, to press his goods upon the purchaser also deserves a word of censure. It has recently been reported here that wholesale houses have even offered to prepay freight on goods and charge the amount up to account, in order to induce merchants to buy. When credit is pushed to such an extent as this, it is no wonder that some peculiar cases of failure result. But whatever may be said against the seller, for his persistence in pushing trade, it will not at all excuse the buyer for reckless overstocking.

In a year like the present, when the crop outlook is not all that could be desired, dealers should be specially careful not to overload themselves with goods. Better be short than long on stocks; and now that railways reach nearly all parts of the country, any shortage can soon be made up. A very large stock of goods may be the cause of some increase in sales, but the increase in sales will not be in proportion to the stock carried, and it will not pay for the extra risk incurred in holding an excessive quantity of goods, to say nothing of the loss from dead stock, etc.