

for credit will no doubt become less searching, and a trust in the general prosperity of business will introduce an unguarded state in many ways.

We cannot remember now the author of the saying: "In time of peace be preparing for war," but it can be carried with profit into mercantile affairs in the Northwest. In time of prosperity let us be preparing for depression, and when the latter overtakes us we will find that its dangers have in a great measure been discounted. Preparations can be made in many ways, besides those conservative measures which have been adopted during the past year and, indeed, a relaxation of many of these stringent measures becomes necessary especially in the treatment of business men who fought bravely and honestly through the past two years of trying times. In fact preparations should in many ways be in the direction of protecting such men. For instance in a place where a few merchants have stood firm amid the crash of less able and less honest competitors, care should be taken not to encourage new opponents in their field to an extent that would again bring about over-competition. Safe and solid customers should be considered too valuable to be crowded into an unsafe state, and in this matter wholesalers have the power of obviating danger in their own hands. They, before opening credit to a new man, should judge not only of his financial resources, business ability and previous record, but also of his chances of success and the success of his local competitors, and by so doing they can in a great measure prevent the complaint, which has been heard from almost every new western point, of the trade of such places being overdone. Credit should be given upon the distinct understanding and reasonably clear prospect of payment being received, without the wholesaler having to take chances of his customer's success or failure, and unless strong measures are maintained to prevent overcrowding of merchants, such a desirable state of affairs can never be approached, much less reached.

There is last of all that class, who above all others should not be encouraged by receiving credit. We refer to those aimless people possessed of a little means, and who without any knowledge of mercantile affairs select a trading occupation to invest and engage in. Unfortunately such people can often show financial

resources, which would be ample to ensure success to a competent business man, and their request for credit is consequently hard to refuse. Nevertheless they are the most dangerous class to a trading community, and should receive no encouragement to engage in a business they are unfitted for. In short wholesale merchants should encourage only new business undertakings, and set their faces sternly against all new business ventures. Trade should be kept purged from anything that would savor of a gambling risk, and be made as nearly as possible simply of a system of supplying the merchandise wants of the country with profit to all concerned.

THE FARMER AND THE N.P.

The question of the merits or demerits of the national protective policy is now being fiercely discussed by some of our political journals, and its application to the Northwest, and especially the farmers of the Northwest finds a bitter opponent in our local contemporary the *Free Press*. Laying aside the political bias, from which it is almost impossible to purge such a journal as the *Press*, there is good solid truth in the stand our contemporary has taken upon this question. It may be possible to bolster industries into a forced growth by a system of protective tariffs, so long as the aim of such industries do not go beyond the supplying of home demands, and even this system of bolstering has its reactive evils, which are being keenly felt at present in almost every branch of Canadian manufactures. It is totally different, however, with the greatest, and what must for generations to come be the greatest of Canadian industries, namely, agriculture. Were the aim of Canadian agriculturists merely to supply the wants of the five millions of people who are sprinkled over the northern half of North America known as the Dominion of Canada, there would be some force to the arguments with which protectionists from time to time soft soap the Canadian farmer. Agriculture in this respect, however, differs from all others of our industries. For Canada to be prosperous even at its present stage of development, we must export annually millions of bushels of our grain products; and if the Dominion is to make progress as it should, our grain exports must soon far exceed in quantity, what is required for home consumption. In fact upon the growth

of our export trade in agricultural products must depend our trade progress and growth in wealth. Protective tariff bolstering may be powerful in enriching manufacturers and others, dependent upon the home trade only, but when competition in foreign markets is necessary, it is found not only valueless but actually a dead weight in many respects. Thus the products of the Canadian agriculturist, while unusual circumstances may at times place a fancy home value upon them, have to find their price in the markets of Europe, and are more dependent upon Mark Lane than all Canada for fluctuations. A tariff upon such products therefore amounts to simply a bar against United States grain shippers availing themselves of Canadian rail and waterways as freely as they otherwise might.

But some of our protectionists tell us, that the purchaser and not the seller of our grain pays the tariff, although in the case of duty on imported manufactured goods, they are very apt to take an opposite stand. The absurdity of Canada fixing the price of its grain in a British market, when competition with the British farmer, the United States, Egypt, Russia, Australia, India and other countries has to be entered into is too plain to require any argument to show it.

How much protection has benefitted or injured Canadian manufactures it is not in our line to discuss at present. That it maintains artificial prices for manufactured goods, the most enthusiastic protectionist dare not deny, and the most rabid free trader readily admits. It is plain, however, that no system of protection can, under ordinary circumstances, add one cent to the price of the agriculturists' grain, and the artificial prices it secures for less important industries, have to be paid out of the greatest industry we have, which in turn is left without protection of any kind. In short, so far as Canadian agriculture is concerned, the word protection is a misnomer.

THE COMMERCIAL has always taken the position that tariffs are only to be tolerated temporarily under peculiar circumstances, and facts show plainly that in Canada the farmer suffers every day that they are tolerated. Even our millers, owing to a curious anomaly in the duty on wheat and flour are at the mercy of United States competitors, who choose to grind Canadian wheat in bond and ship it back to Canadian markets.