

about it, because frequently unaware that the state of affairs in his town or village, so objectionable to him, is fully equalled in others. Now to the retail merchant it ought to make no difference whether his goods are manufactured in Canada or imported from abroad, as regards the profits he makes, so long as such goods are as well bought as those of his competitors. His profits can only shrink from over competition reducing prices, or reducing the volume of his business. Most retail merchants will admit, we think, that there are too many in the business. One cause of the hard times, therefore, we consider is that there are too many retail merchants.

If we are right in this conclusion it drives us to one of two causes; either that the wholesale trade must be in the hands of a few who, through monopolizing it, have grown rich, and, too ambitious, have pushed trade recklessly, started new men without capital, and each individually tried to force a larger trade by thus placing their goods before the consumer at every available point; or else, that the wholesale trade also is over-crowded, and that mutual competition has forced them, in order to keep their place in the race, to lose no possible chance of over-reaching each other in getting first to the consumer. While in individual cases there may be truth in the first-named theory we are inclined to favor the latter, and to believe we are right in stating that the ranks of the wholesale trade are as well filled with competitors as the retail trade; and that for this reason much of their labor and travail bring forth—nothing.

Manufacturers, too, though by no means more numerous than we could wish to see them, are perhaps not altogether free from blame in forcing sales to an extent neither beneficial to themselves nor their customers. Canadian-manufactured goods are admirably suited to the wants of Canadian consumers, but in a limited market like ours it must not be forgotten that the supply must be carefully graduated to the demand, as a comparatively slight excess tells on profits all round to those who handle them, whether by wholesale or retail. It is strenuously denied that there is over-production, and denied with truth, as regards the total amount produced, which is probably not over one-fifth of the total imports of dutiable goods. We should all be glad to see that amount raised to one-half. It may be worth considering, however, whether our remarks are not justified as regards many of the articles manufactured. Certain lines are produced in greater quantity than the

country has room for. There is a strong temptation always to a manufacturer to run his mills on one or two special lines at certain specified prices. He can do these goods better and at a relatively lower price by increasing quantity and running the same qualities all the year round, and thus hopes to control the market and get his price. Human nature is human nature, and this temptation has been too much for some of our manufacturers. They prospered in it for a while, even under a 15 per cent. tariff, but as their prosperity became known others rushed in to compete, and have now reduced profits even under a 17½ per cent. tariff.

We find, therefore, the same evil of over-trading, in different forms, running through these three principal divisions of our commerce. It is a self-evident fact that all trade is directed and controlled by the wants of the consumer. In that branch of it, then, which comes most directly into contact with him will we find the truest exhibit of the general state and condition of trade. When, therefore, the retail trade of a country is bad, we may fairly expect to find every other depressed also. And just as the accumulated mistakes of the wholesale traders and manufacturers, and those who supply them, find their logical expression in the condition of the retail trade, or by putting that right and keeping it so, these mistakes and evils can be soonest corrected throughout the whole chain of suppliers. A wholesale trade may be, by some, considered more honorable and ennobling than a retail one; but, judged by the standard of usefulness to the community, we question much if there is a more valuable man in the whole circle of trade than a first-class retailer, who knows how to cater for the wants of his customers and distribute supplies judiciously.

What are this class of retail merchants doing to-day? They have found, probably, that they have over-bought themselves, perhaps not at all from lack of judgment, but by the occurrence of unforeseen bankruptcies in their vicinity and consequent forced sales. They now restrict their purchases and merely sort up their stocks, taking advantage also of any lots that can be bought cheap in their own neighbourhood; collect outstanding debts; contract credits; reduce their business as nearly as possible to a cash basis, curtail expenses; and are thus enabled to pay-off their liabilities. All this has its natural salutary effect upon importers and manufacturers by restricting their operations, which are further kept in check by their own lamented experience of the results of past overtrading, and by the action of

bankers who are more careful in scrutinizing the character of paper placed before them for discount. Thus the times are not congenial for forcing sales on supply accounts or men of straw, and trade "boils itself down" to actual wants.

Something like this process has been going on for some time, is going on now, and should soon restore to our traders in all branches a fair rate of profit on their goods. Unpleasant, certainly, to all to be thus, meantime, restrained in the race for wealth or position and in their personal expenditure, but it is inevitable, and the only honest course to pursue. Honesty is even the best policy. Reform, applied by individuals, will soon be applied by the whole nation; and if at the same time that we are thus retrenching we are blessed with a good harvest and succeed in maintaining our exports while decreasing our imports, a better state of things will shortly be seen among us, and a new era of prosperity and moderate expansion of trade will begin. Let us, as a nation, face the difficulty and individually content ourselves with more hard work and fair profits on a diminished volume of business, and we shall conquer it, and reap a golden future.

#### RAILWAY TRAFFIC.

There can be no doubt that a strong feeling exists in many quarters in favor of the exercise of government supervision in some way over the railroad freight tariffs. Mr. Irving, M.P. for Hamilton, brought the subject before the House, and there can be no doubt that it is well deserving of consideration. Mr. Irving's contention is a plausible one. He claims "equality of treatment in the management of traffic and imposition of rates and tolls, and, more especially, the due observance of the requirements of sub-section 2 of section 48, and of section 12 of the Railway Act of 1848." He would vest in the Exchequer Court of Canada the power necessary for enforcing such observance, maintaining that it is out of the power of individuals to fight the companies, and that in England there was a commission which would hear particular cases. Mr. Mackenzie pointed out that the maximum rate was fixed, and that, owing to the keen competition in freights, from the West, the tariff had been fixed below a paying rate. He considered the resolution proposed by Mr. Irving revolutionary, and that it was better to avoid interference with railways. Finally it was agreed to allow the resolution to pass *pro forma*, and to permit Mr. Irving to introduce a bill with the understanding that it was not to be proceeded with this session.