the trouble began by the strike of the London dock laborers last year, has now extended to Australia. And the London workmen who received pecuniary aid from Australia last year, now return the compliment. At Sydney, New South Wales, an employers' association, including shipowners, has been formed for mutual protection. Accounts from Melbourne state that many of the places vacated by the strikers have been filled by non-union men, and that the coasting trade has been partially resumed.

Advices from Berlin state that the German Government has removed the prohibition against Austrian pork. For some time past, the supply of pork had greatly fallen off in that city, and complaints that it was inadequate caused the removal of the restriction. It still applies, however, to American and Russian pork. As the ground of the exclusion was fear of disease, it is to be presumed that some evidence in favor of Austrian pork was presented to the German Government.

THE M'KINLEY TARIFF AND RECIPROCITY.

There now remains scarcely a doubt that the McKinley tariff bill in its essential features will become law. It is higher than the tariff of any other civilized country, higher than the war tariff of the United States, to which it makes heavy additions, and it is being enacted simply and solely in the name of protection. Among the notable additions is the agricultural schedule, intended to prevent a revolt of the farmers against the manufacturers' schedule. The increased agricultural duties indicate a belief that the farmer, unless he was offered the appearance of an equivalent, would not long have been content to pay the tribute which the manufacturers have for years been exacting. But for all produce of which the Republic produces in excess of its own wants, and the prices for which are regulated by those which prevail in importing nations, protection is impossible. This fact the farmers will learn in time through experience, if in no other way. Till then the high tariff may be maintained.

In connection with the tariff, there has been much talk about reciprocity in free trade. Mr. Blaine has made himself conspicuous as the apostle of reciprocity with South and Central America. The suggestions which he has made to Congress do not embrace Canada. His scheme of reciprocity is intended to redress an adverse balance of trade with the countries to which he proposes to apply it. He finds that to these countries the United States exports but little, $74,000,000, and imports thence much, $142,000,000. This adverse balance exceeds the favorable balance with all other countries by $13,000,000. Mr. Blaine, in spite of Adam Smith and the progress of economical science during the past century, is as firm a disciple of the exploded mercantile system as it would have been possible to find before the dawn of political economy. But the very figures which he adduces show that there is nothing in his balance of trade theory, and that taken as a whole the balance adjusts itself, for a difference of $13,000,000 between the exports and imports of a great nation is practically nothing, especially when we consider that there may be facts not shown in the official returns which, if taken into account, would make the balance the other way.

It might and probably would be to the advantage of the United States, if the commercial treaties which Mr. Blaine desires could be concluded. But the figures as they stand suggest that the interests of the nations with which he desires to secure treaty arrangements may not readily lend themselves to his plans. Some of these countries could ill afford, if at all, to sacrifice the customs' revenues on which their financial system mainly rests. They could not readily or certainly supply from other sources the assured revenue which they would have to give up, and they are not in a position to make experiments which might not prove successful. Nor is the commercial aspect of the proposed treaties more encouraging. If South and Central America are buying much more from other countries than from the United States, the natural conclusion is that the trade is flowing in its most profitable channel. Commercial treaties some of these countries have with other nations, which entitle them to the treatment of the most favored nation. These nations would have to participate in the advantages which the United States might obtain, unless the existing treaties were abrogated. And they would not be required to give any new equivalent. When the Hawaiian Government made a commercial treaty with the United States, Great Britain, in virtue of a pre-existing treaty, claimed the privileges of the American treaty, and the Hawaiian Government found it necessary to make a reduction of fifteen per cent. on the general tariff. To a treaty with Mexico, in 1860, the objection was made in the U. S. Senate that every commercial nation with which the Republic had treaties would claim the benefit of the most favored nation clause, and the result would be a destruction of the revenue. The treaty failed to obtain ratification. At a previous date a treaty was rejected by the Senate on the ground that "the Legislature was the department of the Government by which commerce should be regulated, and laws of revenue passed;" an objection which found an echo on a recent occasion. All this shows the difficulties that may oppose themselves to a cluster of treaties with South and Central America. Most of the trade of these countries doubtless flows in the direction of greatest profit. To change the direction of this trade by the constraint of treaties with the United States would compel those countries to buy heavily in a market where they now find it their interest to buy but little. What Mr. Blaine desires the United States to sell to these countries, under force of treaty, is largely manufactures. This competition in manufactures is one which the United States cannot maintain in the open market. She has not learnt the secret of making manufactures cheap. Indeed she rather prides herself on maintaining some of the elements of their cost at a high level. Her boast is that she pays higher wages than are paid in Europe. If this be true, she must, other things being equal, be content to forego that competition in third markets which attains success through cheapness of production. And this is the actual state of her industry. To obtain the home market by the force of high duties, she sacrifices the foreign. Mr. Blaine hopes to be able to supplement protection at home by commercial treaties with Latin America; he desires to make such treaties serve the same purpose abroad that protection serves at home, at what cost he fails to tell. The obstacles in the way must be almost if not altogether insurmountable.

Mr. Blaine admits the necessity of an expansion of foreign trade. To that expansion protection is the greatest foe. Commercial treaties, if they can be got, may do something to help it; but commercial treaties cannot be made without the consent of two nations. There is only one way in which a country can command an increase of foreign trade, and that is by open competition in the markets of other countries. The country which can offer the best bargains will get the most trade. So long as American manufacturers cannot retain the home markets without the aid of high duties, how can they expect to succeed in third markets where they are required to compete on equal terms? Mr. Blaine practically admits that the United States cannot do this, and he only expects to succeed in South and Central America by favor of commercial treaties. The United States by her policy sacrifices the attainable, and Mr. Blaine tells her to trust to luck and the shelter of commercial treaties, which are likely to prove more difficult to attain than he represents.

The value to Canada of an unlimited commercial treaty with the United States would be diminished by the increased duties of the McKinley tariff. Should the Sherman resolution be rejected that would go far to prove that the United States would not essentially lower her tariff against the rest of the world to secure a commercial treaty with Canada. The practical acceptance of the McKinley tariff as against the rest of the world, in that case, would be the price we should have to pay for reciprocity. This would prove a serious offset to the free trade side of the treaty. The effect would be largely to confine us to one market in which to purchase manufactures, and that an exceptionally dear market. For a free market to sell in, we should be restricted in our choice of a market in which to purchase. With the gain would come a loss, and who can say what the net result would be? Would it not be better, if the Sherman amendment be rejected to liberalize our tariff, and seek a greater freedom of trade with the whole world?

There is no use disguising that the McKinley tariff would injure Canada. But in at least one exceptional item, prohibition would really benefit us. The exportation of hay may be prevented, and if this happens it will be a blessing in disguise.