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THE SITUATION.

Reciprocity, in agricultural produce alone, between Canada and the United States, long since ceased to be possible. With regard to such produce both countries are moving on the same line of restriction and looking to mutual exclusion, as far as possible, without a direct act of prohibition. No doubt they possess the power to do one another great injury by pursuing this policy. Something will be gained if the dream of a return to reciprocity, on the old basis, be finally abandoned as delusive. The ground having thus been cleared for future action, a different policy will stand some chance of being considered on its merits. At the present moment, it is only too clear both countries are moving in a direction opposed to their own interest.

A revival of the *modus vivendi* by which American fishermen have obtained certain privileges in our coast fisheries in the east is to be ensured for one year by the Canadian authorities. A short bill for this purpose will receive the sanction of Parliament. It will give American fishing vessels the right to purchase bait, ice, seines, lines, and other supplies, and to tranship their catch and crews from our ports, on the payment of a license. This implies that no settlement of the eastern fishery question is likely soon to be made. Next to a settlement, the revival of the *modus vivendi* is the best thing. American fishermen largely availed themselves of the advantages which it offers, the necessity of making captures for infraction of the treaty almost ceased, and the friction of conflicting international interests was reduced to a minimum. In the absence of any permanent agreement on the points in dispute, both countries will have reason to be thankful that a means of avoiding difficulties which experience has shown to be effective will be continued. The revival of the *modus vivendi* was properly delayed till it became evident that diplomacy or mutual agreement in any form was not at present going to cut the knot of the fishery differences. The fishing season will soon open, and the time come when whatever arrangement was in view would require to be made.

Doubts begin to be expressed at Washington whether Congress will pass any tariff bill this session. This doubt arises from the attitude of the two political parties towards one another. Neither party wishes to do anything that would prejudice its position in the country. Many Republicans regard the McKinley bill, incidentally, if not primarily, as a challenge to the Democrats, which the latter are slow to take up. They would rather see their own handiwork destroyed by their opponents than be able to rejoice in the success of the measure. Both parties appear to believe that high tariff is a winning card with the constituencies, but neither can get much credit for passing it if both combine in its support. Conviction is weak, and neither party has a stronger desire than to be on the winning side. For the moment this abnegation of what was wont to be regarded as a principle tells in favor of protection. It is, however, an unstable reliance, and a change of the political wind would bring defeat, though triumph now seems assured at no distant date. If the U. S. tariff bill should not pass, Canada would find that it had acted with undue precipitation, and put into the mouth of American protectionists arguments which they would use against us with effect on a future occasion.

A large immigration cannot be expected this year. From Great Britain the total emigration, in the first three months of the year, has fallen off 8,000, as compared with the beginning of last year. The reason given for the decline is that wages, in England, have risen to an equality with those of America, with at least an equal chance of obtaining work. It is not alleged that the equality extends to all occupations, but undoubtedly the tendency to level up is strong. Besides, the cost of living is less in England than in America, and wages are properly measurable in what they will buy, and not in the nominal amount in which they are expressed. British farm laborers complain of the long hours they have to work, but even the fourteen hours against which there is a strike at Anglesea are not more than many Americans and Canadians, who own their own farms, endure. On the ground of relative hours of labor, British laborers have no motive to emigrate to this continent, though doubtless they could, on the whole, greatly benefit themselves by doing so. In the present depressed condition of agriculture, no people competing for the world's market can afford to slacken production, to do which would be to add the evil of short production to that of low prices. As Canada is the only country lying in a temperate region in North America which has a large area of uncultivated soil, her turn as a wide field for emigration must come. But, according to present appearances, it will not come this year.

President Storey, in his presidential address at the annual meeting of the Canadian Manufacturers' Association, says Canadian factories, excepting those that have been injuriously affected by the mild winter, have been fairly remunerative. But he admits that the outlook is somewhat

gloomy, though not positively discouraging. Naturally he finds satisfaction in the increased tariff. On this question Mr. Storey is quite at home. But when he tells us that Manitoba and the North-West are fast filling up, we are afraid he substitutes the hope for the fact. He professes to doubt whether we are sending to the United States a larger population than we are receiving from there, a doubt in the entertaining of which we should think he must stand alone. He asserts, not wholly without reason, that the farmers' sons and daughters are in an improved condition compared with what they were thirty years ago. His argument of what protection does for the home market for agricultural produce is overstrained. But this is a matter of course. That friction between employer and employed yearly tends to diminish is a somewhat problematical assertion. Mr. Storey thinks the co-operative principle should be made to play an important part in large industrial operations, though he scarcely speaks at length sufficient to make himself fully understood on this point. A suggestion of this kind from such a source is not without significance.

Some more details of what the Berlin Labor Conference agreed upon have been made public. Women and children are not to be considered eligible to work in mines or to do night work, nor are they to work over eleven hours a day. Science is to see to the protection of coal mines. These are points on which there can scarcely be any difference of opinion, and therefore the recommendations of the Conference may not unlikely bear fruit. Of course the delegates from the different countries are in direct communication with the Governments by which they were appointed, and their reports may not unlikely be made the basis for legislative action, on these several points, which would necessarily be of a preventive character. The points gained, if gained they should be, would go a short way towards satisfying the demands of the workers, prominent among which are less hours of labor and more pay. These two demands seek to burn the candle at both ends. In Germany as well as Great Britain strikes have followed rapidly in the wake of the Conference, by which some of them may have been incited or encouraged. As a speculation, strikes do not always pay; they always occasion loss from waste of time, a loss which can never be made up; even when they are successful in the long run, the waste is not seldom greater than the gain in increased wages, and the result is that both parties suffer.

Four grades of workers in connection with the building trade, in Toronto, have gone on strike. The bricklayers, stonemasons, stonecutters, and laborers all demand increased pay. The cost of building, even at the prices of last season, has become, according to some authorities, nearly double what it was seven years ago. Under these circumstances, rents must have undergone a rise, but the increase leaves a return rather below than above the average earnings of capital. Rents must go up still