

would lose. A ten hours' labor day, in Ontario, is not nearly so general as seems to be assumed in this controversy. It would not be difficult to find places where a nine hours' day would be readily accepted, on one side, as a compromise. In British Columbia a proposal to exclude Chinese labor from the coal mines has been voted down in the Legislature. Why should the white men of British Columbia, with so many choices before them in agriculture, fishery and fruit growing, wish to drive Chinamen from the coal mines?

Sir Charles Tupper denies that, in his speech at the Chamber of Commerce Banquet, he, in the name of Canada, threatened tariff retaliation against the United States. He adds that not a word was said by any of the speakers that could be construed as evincing an unfriendly feeling towards the United States. The denial affords one caution of the necessity of receiving doubtful cable news with reserve.

#### CANADA AND THE UNITED STATES.

If the United States had been induced to believe that Canada was ready to accept unlimited reciprocity, or even to coquet with annexation, they are perhaps by this time undeceived. Whatever else the bye-elections may mean, they mean a decisive negative to both these ideas. There is no instance, since Canada was in possession of a responsible Government, of a feeling so general and irresistible in any given direction, as that which now sways every constituency in which public opinion is given the opportunity of expression. And this universal resolution rests upon the conviction that unlimited reciprocity would be injurious to Canada; that it would restrict our purchases from all countries but one, and that a country which, as a general rule, and with a few narrow exceptions, is unable to compete, on equal terms, in third markets, against the manufacturers of other nations. Canada is in favor of a reasonable measure of reciprocity with the United States, which would not be unduly restrictive in other directions, and would be of mutual advantage to the two countries. If the Americans are indisposed to enter into such an arrangement, that is their own affair; we should regret their resolution, but it would neither change our conviction of what is best for ourselves, nor alter our conduct in that particular.

It is quite possible that the demonstration which the recent elections afford of Canadian opinion has not been without its effect on the tone of the discussion of international questions at Washington. If Canada had shown a readiness to accept commercial union with the United States, there might have been a disposition in the Senate to accept the arbitration treaty which is designed to settle the Alaska sealing question. The hitch on the question of ratification arises out of the indisposition of Lord Salisbury to renew the *modus vivendi* in the old form. But this resolution on his part is not new; it was made known to the Washington authorities nine months ago, and they went on with the negotia-

tions for the arbitration treaty with full knowledge of this intention. It was not till the moment of the elections in Quebec and till the trend of the bye-elections for the Dominion had become set, that the explosion took place in the United States Senate on the incident connected with the arbitration treaty. There followed, at once, a menace of what is misnamed retaliation on Canada. Retaliation, properly speaking, is the return of an injury in kind: here Canada is told that if she does not induce Lord Salisbury to accept a *modus vivendi* for another year, similar to that now in force, transit privileges which are valuable to both countries will be withdrawn from her. Have the authors of this proposal considered which would suffer the more if it were carried into effect, the United States or Canada? Prominent among the sufferers would be, at one end, New England, and at the other, the Western States. And it is probable that these important sections of the Republic would no more desire to be injured by the threatened restraint on carrying than we; though they would have a voice in prevention while we should have none. And if the so-called retaliation were carried out, how would it prove the invalidity of Lord Salisbury's contention that so stringent a sealing restriction as that existing under the agreement of last year is not necessary? This is the point in dispute, and the truth cannot be made to depend upon anything but the evidence. The Canadian Commissioners are not convinced that, under the proposals made by Lord Salisbury of a closed range of thirty miles around the seal islands, the seal would be in danger of annihilation. The question is to be settled by the weight of evidence: neither menaces against Canadian commerce, nor the placing of injurious restrictions upon it, would have a feather's weight in determining which is right on this point, the Canadian or the American Commissioners, who have arrived at different conclusions. Pressure upon Canada may be exerted at Washington, by an exercise of legislative or executive authority, or both; but the fact would not be accepted by the public opinion of the world as a make-weight capable of supplementing a deficiency of evidence. Canada, imitating this folly, might retaliate in kind, for the United States are under precisely the same obligation to us that we are to her, but in what way would this duplication of follies throw light on the point in dispute? The substitution of pressure for evidence would convince nobody, not even those who resorted to it. Such being the case, we need not be surprised that it is only the more unreasonable and violent who talk of retaliation.

If limited reciprocity in free imports with the United States be impossible, people in Canada will begin to consider what other course is open to them to improve and extend their trade relations. Preferential trade within the empire begins to find advocates in quarters where it would least be expected. For instance, the council of the Winnipeg Board of Trade has arrived at the conclusion "that it would be to the best interests of our North-West country, that trade between Great

Britain and her colonies should be stimulated and extended and increased greatly, even if it has to be done by a system of tariff discrimination in favor of the colonies by the Mother Country and a discrimination on the part of the colonies in favor of the Mother Country." Nothing could better show the tendency of opinion; with many, with whom it is only a second choice, an impossible reciprocity with the United States being the first, the drift of opinion is in this direction. It will be interesting to watch the progress of this view of the situation, and note its strength from time to time for the purpose of comparison and as a basis of conclusions, which will be drawn after a full examination of all the facts which bear upon our future position and well-being.

#### TRADE IN QUEBEC PROVINCE.

For several years past it has been the custom of Mr. Bousquet, cashier of La Banque du Peuple, to devote some time at the annual meetings of his bank to a survey of the conditions and results of trade in the Province of Quebec. Shrewd observation and good sense are shown by this gentleman, of whose somewhat lengthy remarks we propose to give a *resume*. Contrasting the first half of 1891 with the latter half, Mr. Bousquet notes the despondency, the low prices, the meagre profits that characterized the former, and the activity of movement and hopefulness of tone that supervened in the latter portion of the year, when the crops were found to be abundant, and when everybody had visions of comfort or of wealth. Yet, he says, "never did the result of a harvest have so ineffective an influence on business."

In spite of the abundance of cereals, enough to make our whole carrying trade prosperous, in spite of grain exports one-half greater than in the same period of the previous year, in spite of activity on the stock exchange, the expectations of business men were not realized; "general trade was dull, collections from rural districts bad, the volume of business was reduced, profits were small, failures numerous, enterprise paralysed, industry stagnant." A dark picture, truly. And there is much room for surprise that such a condition of affairs should follow large crops and an unexpected export demand. Mr. Bousquet traces the causes of this disappointment thus:—and the explanation will commend itself to many: First, the crops had not been fully disposed of. Second, the first moneys realized by the farmers or others were devoted mainly to paying notes discounted in the banks and to the liquidation of mortgages and interest that had been piling up for several years. "These moneys, instead of going into general trade circulation, have gone into the hands of capitalists and banks, explaining, therefore, the abnormal position of a plethora of money in the banks at the same time with complaints of smaller remittances and small demand for all classes of goods from the country trade." If money was easy, as was often heard, it was "easy" with the wealthy people.