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THE SITUATION.

When the turn of the ocean shipping interests came to be heard before the Tariff Commission, they met the cry of the men who had expressed a wish to suppress the foreign import trade through excluding duties by saying that any industry which could not live under a reasonable tariff had better die. In these opposing pretensions reason is not only the side which seeks exclusion that would be destructive of the great shipping interests of the country. There can be no reason why a great national interest should be destroyed that new interests may be created and sustained at the public cost. But there is room for both to live, if they are willing to accept reasonable conditions. When Mr. Torrance laid down the rule that any industry which cannot live under a duty of from 25 to 30 per cent. had better die, he struck a note which may one day become the keynote of the future. When a bounty is granted, the time it is to run is specifically limited, and when a protective duty is put on it is not intended to remain forever, the theory being that its sole purpose is to help a going industry to gather strength to go alone. It must be recognized that, if it cannot do this, the experiment is a failure. In private life, once the failure, when it is irrecoverable, is known, the sooner it is acknowledged the better, and so it may well be in the region of industrial experiment which the State consents to aid for a time.

Mr. Thomas Ecroyd, who has been engaged in tanning for thirty years, when before the Tariff Commission, advocated a reduction of duty on upper leather to 10 per cent. At least 50 per cent. of the Spanish sole leather manufactured in the country, he said, is shipped to England, where, of course, it has to meet the competition of the world. Two tanneries send nearly their whole product to England, where they have to meet these conditions. Why does Mr. Ecroyd, a tanner, oppose high duties on leather? His answer may be given in his own words: "Duties so high as to be prohibitory led to the forming of combines, from one of which he and many others were suffering." These combines use the power which a high tariff gives them to destroy rivals, who would be content to work out their destiny without taxing the public for their benefit. Mr. Ecroyd has sounded the tocsin of the destructive combines. By what devices will they seek to evade their destiny?

A case which may require some attention has been mentioned before the Commission: that of foreign manufacturers who send agents here and invoice their own goods to their own representatives. There is no sale to guarantee good faith in the price named. Of course when this method is used there is one profit less to be added to the ultimate price of the goods; but that should not affect their value at the time when they are exported. The manufacturer, when he is his own agent in a foreign country, may feel himself justified in putting the cost of manufacture as the cost for duty, but in that case there would be a discrimination against the regular importer, which would be unfair. The trouble is an old one, and was a subject of bitter and constant complaint in the United States seventy years ago. But now the tables are turned. The United States was then the complainant; now she, along with Germany, is complained of. If the auction feature, then prevalent, were added, the parallel would be complete. It is easy to see that there is room here for abuse, and it would not be surprising if some of the abuses complained of are real.

Strong pressure is being brought on the Senate of the United States to secure the ratification of the Treaty of Arbitration. It comes from the professorial chair, from the pulpit, from commercial bodies, from the general public. Certain senators, who excuse delay, evidently find themselves on the defensive. They plead for time, not to waste, but in which to study the purport of the instrument, in which, it is suspiciously suggested, some hidden meaning may be found, dangerous to the integrity of the Monroe doctrine. They disclaim the implied charge of trifling with their duty for a sinister purpose. It cannot, in truth, be said that there has yet been any undue delay, and the natural objection to working under pressure may excuse the energy with which the demands for prompt action are repelled. It is quite likely that excuses for delay would be welcomed, indeed they appear to be eagerly looked for. No real objections against the treaty have been brought, and meantime the prepossession in its favor is growing. Very likely some objection, intended to be startling, will be made before long. The attempt to connect the Nicaragua canal question with the ratification of the treaty is far fetched, but it may at least serve to cause delay in ratification.

The scope of the Arbitration Treaty proves to be larger than its piece-meal publication at first indicated. There will be two tribunals created to deal with different classes of claims. Territorial questions, involving considerations of national rights, will go to a tribunal composed of six members, three of them being judges of the Supreme Court of the United States, and three judges appointed by Great Britain. A court consisting of even numbers of judges would not necessarily reach a conclusion, and it has been necessary to provide that the president should have the casting vote. The choice of president rests with the court; but if they cannot agree upon a choice, this duty will devolve upon the Supreme Courts of the two countries. A majority of five would make the decision absolutely binding; but unless the consent of the Senate could be dispensed with, which does not seem possible, it is difficult to see how a majority of five could be final. The other Court's function would be to decide pecuniary claims limited in amount, and much is being made of the fact that the King of Sweden might, in