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PHILIP DRUNK AND PHILIP SOBER.

Now comes word from Washington, that the Treasury Department has about made up its mind to give the Province of Quebec a milder "slap on the wrist" than was promised. It looks as though the countervailing tax on pulpwood is to be levied only on such wood as comes from Crown lands—since the provincial tax of 25c a cord applies only to exports from the public demesne. Perhaps our neighbours are getting over the impression that discrimination for or against Canadian forest products can be used to whip Canada into commercial subjection to the United States.

This latest word sounds quite tame after the thunderous threatenings of a maximum tariff against all Canadian exports, unless the United States were granted "most favoured nation" treatment in all particulars.

There are other signs that "Philip sober," in the guise of executive authority, is anxious to minimize the after-effects of the tariff rampage into which Congress, as "Philip drunk," blundered some time ago. Anxiety is now shown regarding a possible tariff war with France—and some travelling Americans, high in the councils of the nation, have been assuring French interests that their country's bark is really much worse than its bite.

THE GENTLE ART OF MENDING.

As France and Canada are close trade allies, that country's threatened breach with the United States, commercially, takes on very direct interest. Unless it is avoided, much of the American export trade in machinery and implements will be handled by branch factories on the Canadian side of the border line.

Conditions have come to a pass where it seems practically assured that the United States will suffer for five months from the highest rates of the French schedules. But Washington's "moderates" hope that it will later be possible to arrive at some reasonable modus vivendi. At any rate, American administrators are now said to be intent upon rectifying the blunder that was committed in the too early termination of the treaty with France. Happily for the United States' outlook, recent advices from Paris state that leading French publicists are also endeavouring to allay irritation. Therein lies the hope of success. American diplomacy, in these matters as in some others, is not so much a lost as an undiscovered art.

IN THE NAME OF THE PROPHET—FIGS!

The framers of the Payne-Aldrich tariff bill originally intended that only a flat interchange of minimum rates on all commodities would be considered as a basis for commercial friendship with France, Canada or any other country. Otherwise, maximum rates were to be rigidly enforced. The challenge was so promptly taken up by France, that the biters now appear the worse bitten. And the commonsense view is gaining ground that the wiser course would be to seek some mutual agreement as to a selected list of "minimums." To this end, advantage will likely be taken of certain last-minute changes in the tariff bill, whereby the President is given latitude as to the enforcing of the bill's more drastic provisions.

With signs pointing to considerable back-down, the shouting of High Tariff disciples becomes not unlike that old Eastern adjuration: "In the name of the Prophet—Figs!"

While trade relations with France are receiving more immediate attention at Washington, those with Canada may give greater concern a little later on. Says the New York Journal of Commerce in this connection:

"Manifestly the conditions to be dealt with in applying the maximum clauses of the tariff to Canada are essentially different from those existing in France and Germany. The capacity of Canada to inflict injury on our trade is greater than our capacity to inflict injury in return."

Which is evident enough when it is remembered that for every dollar's worth of goods the United States buy from Canada, they now sell two dollars' worth. With this country's rapid growth, its markets must become more and more important. And United States exporters are beginning to realize this.