

sented by the value of the railway property—a grave injustice will be done to the public. There is no reason why anybody should assume that the Commissioners will not protect the people of Montreal against such a manifest injustice.

Customs Valuation

THE Montreal Gazette, in an article which we reprint, calls attention to a serious disadvantage under which importers are placed by the provisions of our Customs law respecting the valuation of goods upon which advalorem duties are imposed. It is no new law that creates the trouble. It is an old law which in former years worked fairly well, but in recent times has proved both embarrassing and burdensome. The value of the goods is held by the Customs law to be the current price in the country of production at the time of the importation. The goods perhaps had been purchased several months before, for delivery at a specified time. Where the fluctuations of prices are but small the law works fairly well. But where, as has been the case in recent years, large increases of prices have taken place in a short time, the importer finds himself in a bad position. Take, for illustration, the part of the clothing trade in which imported cloth is used. The wholesale merchant, having made his purchase of cloths in the markets abroad, computes the amount of duty, freight, insurance and other charges, and on these bases, without waiting for the arrival of the goods, proceeds to sell by sample to the manufacturer of clothing. The latter, having his cost of materials thus established, fixes the selling prices of his manufactured product, and sends out his travellers to the retail trade. Later on the cloth arrives. In the meantime the market prices have largely increased. That fact cannot affect the transaction between the importer and manufacturer. They have made their contract and the importer must live up to it. But the Customs Department steps in and demands duty, not on the cost of the goods, but on the present market price, and as the duties are now quite high the difference between what he had calculated on paying and what the law demands makes the transaction one of substantial loss. In this case it is the importer who suffers. If the manufacturer is himself the importer he has to bear the unexpected burden, for he has sold his clothing in advance to the retail trade at a price that he cannot change. Such a condition of affairs imposes heavy handicaps on legitimate business.

The Gazette's suggestion is that the basis of valuation that has so long existed be changed and that the market price at the time of purchase be taken as the value for duty. It sometimes happens that the remedy offered for a troublesome situation is as bad as the disease. One would like to hear how the suggestion strikes the experienced Customs officials at Ottawa before reaching a conclusion. Some embarrassments might arise under the new method proposed. It would on first view seem reasonable that two parcels of goods of precisely the same character, arriving at the Customs warehouse at the same moment, should be chargeable with the same duty. If one importer is allowed to pay a smaller sum because he bought his goods some months earlier, the other may feel that he is placed at a disadvantage. However, it would be too much to hope that Customs laws can be operated to meet everybody's circumstances or wishes. That there will be some difficulties respecting

valuation under any advalorem tariff system is to be expected. But the Customs laws and their administration should be such as to impose a minimum of inconvenience on business men. The change proposed by our contemporary seems a reasonable way of overcoming the present difficulty and unless there are strong departmental reasons against it, which are not now apparent, it should receive the favorable consideration of the Government.

The Neutrals

PRESIDENT WILSON'S suggestion that all the neutral nations should follow the example of the United States in breaking off diplomatic relations with Germany is not received in Europe with the warmth that he had hoped for. Spain, while not going that far, has at least made a vigorous protest against the German threat of ruthless submarine war. Sweden has been largely pro-German all through the story. Denmark and Norway are sympathetic with Great Britain, but hardly in a position to have an open quarrel with Germany. Switzerland and Holland are much divided in sentiment. They can have little real regard for a government that treats small nations as the Germans have treated Belgium. But there are German influences within both these neutral countries that make any anti-German movement difficult, and no doubt those who are not pro-German feel that Germany is too close to them to admit of their acting independently. In view of the fate of Belgium, Serbia, Montenegro and Roumania, the smaller nations of Europe who are still outside the conflict will naturally desire to avoid, if they can, a quarrel with the big bully nation. But when the bully is soundly thrashed these small nations will experience a feeling of relief, if not in all cases of joy.

A Japanese Question

JUST when Uncle Sam needs a free hand to grapple with very urgent affairs which are facing him he is threatened with some embarrassment through a revival of the old difficulty respecting the immigration of Japanese subjects. An immigration bill which President Wilson vetoed because it contained a literacy test to which he objected has now been passed in both Houses of Congress by majorities large enough to override the President's veto. The bill contains a specific confirmation of all existing laws respecting the exclusion of immigrants. This, it is claimed, virtually destroys the "gentlemen's agreement" which is in operation at present. It may be remembered that while the Japanese Government, in their relations with Canada, would not consent to any treaty limitation of the right of Japanese subjects to come into the Dominion, an understanding was reached to the effect that only a small number would be permitted to come. This good understanding has been fully carried out by Japan and has proved a reasonable settlement of a difficult matter. A similar understanding was subsequently reached with the United States and there too it seems to have worked satisfactorily. It is this understanding — sometimes spoken of as "a gentlemen's agreement" — that is said to be threatened by the language of the new American immigration bill. Perhaps the United States authorities will be able to satisfy Japan that the bill does not disturb the present arrangement. A revival of the troublesome alien labor question at this time would be inconvenient.

The Conference

THE British press and public, while cordially sympathizing with the sentiment that has led to the calling of the Imperial Conference, have had some difficulty in understanding just what is the business to be brought before it. The official invitation to the Overseas Premiers was, perhaps necessarily, very general in its terms, and the same may be said of the mention of the matter in the King's speech at the opening of Parliament. Several members of the British Government have made reference to the Conference, in language calculated to leave the impression that they had no very clear idea of what it is expected to do. The Colonial Secretary, Mr. Walter Long, in a recent speech, seemed to assume that the disposal of the captured German colonies was a matter to be settled entirely by those who represent the British Empire, but the Westminster Gazette points out that before any conclusion on that subject can be reached the Allies of Great Britain will have to be consulted.

It seems clear enough that the Conference has been called as a recognition of the great part in the war that is being played by the outlying sections of the Empire, but that there is even now very little definite idea of what is expected to be accomplished by the meeting. If, however, there is this uncertainty as to what the Conference will do, there is now a very clear statement as to something that it will not do, and not attempt. The group of men in England who have for several years been clamoring for the calling of a Conference always seemed to have in their minds the undertaking of the work of reorganizing the Empire. The need of something of the kind was the burden of their complaint. They will be disappointed to learn, from remarks made by Earl Curzon in the House of Lords, that nothing in the way of reconstruction of the relations between the Mother Country and the Overseas Dominions is to be attempted. This is a wise decision and the early announcement of it may save some embarrassment that would otherwise have arisen. With that large subject excluded, it is not easy to anticipate a programme in which Canada is particularly concerned. Australia, New Zealand and South Africa may feel that they have special interests in the question of the German colonies, and may desire to use the Conference as a means of urging their views on the Imperial authorities. Canada has no special interest of that kind. Her only interest is that which is shared by the Empire generally. The Conference will, of course, be watched with much interest by British subjects everywhere. But in the case of Canada our interest will be more sentimental than practical, since we have no grievance to air and no claim to press.

The energetic men in England whose chief recommendation was that they "do things" are beginning to find the embarrassment that comes from doing things hurriedly. Mr. Anderson, one of the Labor members of Parliament, a member of the Government's Food Prices Committee, stated a few days ago that the United Kingdom would at an early day be put under a ration system. The remark having created much interest, and some protests having been raised, Lord Devonport, the Food Controller, now announces that Mr. Anderson's statement was "unauthorized and incorrect." After all, there is something to be said for the old fashioned idea of thinking first and acting afterwards.