YELLOW MEN AND WHITE METAL.

It is to be hoped that the Vancouver City Council is by this time ashamed of its petty refusal to extend a civic welcome to the cruisers of the Japanese navy. To the honour of Mayor Douglas, be it said, an appeal was duly published calling upon the citizens to make the celebration a success. Fortunately, whatever the aloofness of the municipal attitude, the Dominion Government was able to arrange a courteous military reception.

To suppose that the West's problem of Oriental immigration will be helped by a local neglect of international amenities is ludicrous. It was against just such unwisdom that Mr. W. Mackenzie King, M.P., warned us the other day on his return from the anti-opium conference at which he represented Canada. To his mind, if we keep our heads—and our manners—there is little likelihood of any serious influx from the Orient. The Government of Japan, he believes, is keeping faith with Canada, and from its own standpoint is not desirous of having extensive emigration. With other careful observers of the East, Mr. King points out that it is chiefly on their "home ground" that the awakened Jap—and the awakening Chinaman—are going to wage industrial competition with the West. The prospect of this increasing competition from the East must be squarely faced, without reliance upon any such retardants as immigration prohibition on the one hand, or the bolstering up of the price of silver on the other—the latter being the plan urged in Vancouver, a fortnight since, by Mr. Moreton Frewin.

Confusing cause and effect—and overlooking, too, the fact that Japan, the West's most active rival, is a gold-standard country—Mr. Moreton Frewin has declared that the manufacturers of Asia are subsidized by the past sixteen years' fall in silver, since wages in China have not gone up with the decline in the value of silver elsewhere. As China alike pays a higher price for imports and receives more for exports (in terms of silver) than before, Mr. Frewin fears steady reducing of purchases from abroad, and a quick fostering of domestic manufacturing throughout the Orient—not merely for home consumption, but for dumping elsewhere. So that in the course of time we may expect Chinese cotton mills to be sending prints to Manchester. But, as pointed out a month ago, the fall in silver has not been uninterrupted; instead, there have been marked fluctuations down and up, especially in times of worldwide business recession and expansion. And, of late weeks, revived trade demands have already brought the price per ounce up to nearly six cents above the low mark of December last. But Mr. Frewin would raise it another 40 or 50 cents, by having Great Britain issue small-value notes, secured by a reserve of silver, to be legal tender to the extent of £2. If Great Britain could keep £1 per capita of these notes in circulation (in addition to, not in substitution for, present silver coinage) and if the United States would adopt a similar scheme, it would require—Mr. Frewin says—about 800,000,000 ounces of a silver reserve. This he considers would create a demand sufficient to keep the gold-price of silver steady at $1 an ounce for fifteen or twenty years.

But would the price stay up? Apart altogether from various underlying factors that enter into general price-movements through a series of years, would not any sudden increase in the relative value of silver quickly cause the reopening of abandoned silver mines the whole world over? Also, large quantities of silver now left in pig lead would be refined out—and in one way and another the output would be so augmented that prices must again find their natural level. In fact, only by the proverbial Western legislator's "repeal of the law of supply and demand" could Mr. Frewin's plan succeed. And even the joint-efforts of Great Britain, Germany and the United States— with Canada's and Australia's thrown in—could scarcely bring that about.

If by international agreement the purchasing power of silver could be suddenly doubled, the working Chinaman would soon find some corresponding reduction in his nominal wages; so that neither would the workers' purchasing power over imports be increased as Mr. Frewin hopes, nor the oriental manufacturers' ability to compete with the West be destroyed. Even China is not a "water-tight compartment" economically, but is subjected surely, if slowly, to changes in world relations of supply and demand. This view is borne out by a report from the United States vice-consul at Canton, who recently informed the National Monetary Commission that depreciation in silver does not necessarily increase export trade, "as the fall is generally compensated by a rise in the local cost, which means that the home buyer pays the same price in gold."

As already emphasized, the Asiatic competition which has thus far made the most material impression upon Caucasion trade is that of Japan, whose currency is now on a gold basis, and where the prevalent rate of wages, if still low, keeps steadily growing. Certain readjustments in cost of production must come as a result of the East's industrial awakening—the West in time may have to allow the shifting of some branches of manufacturing. But so long as the white man keeps alert enough to prepare for gradually changing conditions—instead of seeking to repair oversights afterwards—there need be no fear for the final