

it possible to justify the systematic insulting of British subjects who are in all respects good citizens, against whom there is no shadow of accusation?

Canada's First Model Town

CANADA'S first model town is in process of construction in the Upper Ottawa Valley. The Riordon Pulp and Paper Company who are building a new mill at the foot of Lake Temiskaming, have engaged the services of Mr. Thomas Adams, the well known town planning expert, and are constructing a model town for their employees. Every possible provision for the comfort and welfare of the workmen is being utilized by Mr. Adams. Such necessities as parks and playgrounds, an adequate water supply, proper sanitation, scientifically constructed homes, each with its own plot of ground, schools, churches, theatres, recreation rooms, and everything else which will make the social and civic life of the community more enjoyable have been arranged by the company.

The Riordon Pulp and Paper Company deserve the hearty congratulations of the country as a whole. It is a sane humanitarian movement and the successful outcome of the experiment will be watched with sympathetic interest, not only by other employers of labor, but by all who are interested in the social well-being of the working man.

Montreal the Railway Centre

MONTREAL is to-day the recognized transportation centre of the Dominion. It is at the head of ocean navigation and is also the real starting point for the series of waterways which stretch away into the interior of the country. This city is also the headquarters of our two largest transportation systems, the Canadian Pacific and the Grand Trunk Railways.

At the present time arrangements are being made by the Government to take over and operate the Canadian Northern and Grand Trunk Pacific as part of a Government system of railroads. Would it not be better to move the head office of the Canadian Northern from Toronto and make this city the headquarters of all our transportation systems? After the two lines are taken over as part of the Government system the I. C. R., G. T. R., and C. N. R. will be virtually one road.

When the Canadian Northern completes its terminals here it will have ample space to house a headquarters staff. In addition to that, the officials of that road would meet with and compete with officials of the other two great systems with their headquarters in this city. The stimulus and incentive which would come from that daily contact would do much to remove the charge of inertia and lack of initiative usually charged against Government systems not only in Canada but in all countries.

Certainly it would look the part of wisdom to move the headquarters of the Canadian Northern System here. It is to Montreal they bring their freight and passengers during the greater part of the year to take ships for overseas. This city is the great wholesale and distributing centre of the Dominion, and now that the Canadian Northern have built an expensive entry into the city and are constructing most elaborate terminals it would be well to make their headquarters.

It also seems unfortunate that when the Government was appointing its board of directors controlling the Canadian Northern that they did not pay more attention to the claims of the Quebec end of this system. All the men

appointed by the Government belong to Ontario and the West, but there are in Montreal men connected with the system who are thoroughly familiar with its organization and its field of operations. These men would have made ideal men for the board of directors and would have given Montreal the representation it needed. However, it is not too late to make amends in this matter and certainly not too late to bring the head office of the system to the strategic point selected by other roads as the most desirable for the administration of their transcontinental lines.

The Rise in Silver

ALTHOUGH there has been some recession from the highest price of a few days ago silver is still commanding figures very much above those which have hitherto prevailed. We in Canada are doubly interested in the question. The increase of the price of silver may affect trade and prices in many lines. Then, Canada is a large producer of silver. The present demand and advanced price will naturally have the effect of speeding up operations in the working mines of the Cobalt region, and mining prospects not deemed of profitable promise when the price of bullion was low will be taken hold of more vigorously. Increased demand and reduced supply have operated to raise the price. The general movement in all countries to conserve the gold supply has led to a large increase of demand for silver for coinage purposes. Mexico, formerly one of the largest producers of silver, has for some time been in such a disordered state that mining operations have been reduced to small limits. Perhaps the most disturbing effects of the rise will be felt in the business of those who trade with Oriental countries. In the East silver is much used for currency and values of commodities are fixed on a silver basis. Labor and commodities are priced in silver. If the usual quantity of silver coin is paid for an article or as wages there is no change in the situation as respects the seller or the wage earner. But he who has to provide the silver for making the payment finds a material change. The English importer of Indian produce has to regard his business from the viewpoint of the gold standard. He has to pay more for the given quantity of silver which will pay in India for the given quantity of goods. The effect is that while prices in India may remain nominally unchanged the goods are enhanced in price to the English importer, who must therefore advance his selling price to prevent loss. Thus to the consumers elsewhere the prices of all Indian products must increase.

Financial Freedom for China

Why trade with China fails to increase is discussed by a writer in the current issue of "Asia," who says that freedom for the Chinese Government in the control of its own finances would be of the greatest aid in the expansion of the nation's industry. The article states, in part:

"The present situation of China as a commercial nation may fairly be characterized in three propositions:

"1. Foreign trade and investment in China have failed to develop according to reasonable expectations.

"2. One chief cause of this is apparently the never-ending poverty and consequent feebleness of the Chinese Government, which affects disastrously the whole political, intellectual and economic life of the nation.

"3. The foreign powers have with inconceivable blindness made themselves in large part responsible for that poverty and so for the relative failure of their own efforts at trade expansion in China.

"China has been outstripped as an international

market by countries which she formerly surpassed, countries smaller and inferior in resources, with populations less numerous and less capable. To the hundreds of millions of Chinese the United States shipped in 1913 only \$21,000,000 worth of goods, as compared with \$25,000,000 to Serbia, Montenegro and Albania (having a population less than 2 per cent of China's and \$39,000,000 to the three Scandinavian countries (population less than 3 per cent of China's.)

"China's total imports are scarcely greater than Japan's, though her population is six or seven times greater. The increase in this small volume of imports is painfully slow—only about \$80,000,000 from 1905 to 1913, and of this nearly one-half was an increase in imports from Japan, a result largely of Government subsidies and railroad rebates at the expense of the Japanese public.

"China's slow commercial development must be ascribed in large part to the fact that its Government is in a state of continuous semi-starvation. The want of sufficient revenue and the Government's consequent inability to discharge the normal function of government affect fatally the whole political, industrial and commercial life of the nation. For this state of poverty the foreign powers are responsible; they have denied China, under treaties extorted by force, the free use of what should be to a country in her situation a chief (perhaps the chief) source of Government income, namely, customs duties. Not only is the Chinese Government deprived of revenue, but the Chinese producer is put at a fatal disadvantage if he attempts to compete with the foreigner. It is not surprising that thus far there has not been much attempt at such competition.

"Sir Robert Bredon has calculated that increasing import duties only to 12½ per cent would add to the revenue by about \$26,000,000 gold. To the hard pressed Chinese Government this amount might mean all the difference between solvency and insolvency. This is about 15 per cent of the total revenue of China in recent years. By the consent of the Powers there might be a similar increase of export duties. With these changes there should be a revision of rates so that they would vary with the revenue-producing power of various commodities. This would add greatly to the aggregate of receipts.

"Thus Great Britain collected on gasoline alone in the year before the war half as much as the total import duties of China. On tea she collected three times the total of the Chinese import revenue. In France three articles formerly produced over 42 per cent of the total customs revenue, nine articles almost 70 per cent. If the Chinese import duties were made to yield only one-third as much per capita as those of Japan this would amount to about \$60,000,000 or \$70,000,000.

"There is no limit to the possible effect of revising the customs system. Other revenue reforms, themselves yielding large additional income, require large preliminary expense, and an increase of customs revenue might make it possible to carry them through. It might make possible a reform of the land tax, which would require an expensive preliminary survey, but from which Sir Robert Hart anticipated a revenue of about 400,000,000 taels, or \$260,000,000 gold.

"The increase of revenue here suggested would probably set in motion some or all of a whole train of reforms, including not only those mentioned but also a better maintenance of public order without which trade cannot thrive; the abolition of burdensome internal taxes on the transport of goods; the development of railways, highways and waterways; expenditure for education, especially technical; Government aid in many ways to agriculture, manufactures and commerce; relief of China from the excessive and perilous dependence on foreign loans; possibly a reform of the currency to bring it into harmony with the coinage of other nations.

"Freedom for the Chinese Government in the control of its own finances would permit a development of Chinese industry, now hampered by the discriminations against the Chinese in their own country; it would permit the reforms without which China cannot develop in full measure in any direction; finally—perhaps most important of all—it would permit free play to the originality of the Chinese, their spirit of initiative and enterprise.

"There is an element of absurdity in the efforts of foreign Governments, associations and business houses to extend their trade in China under present conditions. It would be more creditable to the commercial intelligence of the foreign states if in this business they would merely cease to put clogs on their own feet, if they would refrain from keeping a nation which is perhaps the most attractive undeveloped market in the world in a state of political and economic semi-paralysis."