

DEPARTMENT OF TRADE AND COMMERCE,

OTTAWA, June 30, 1914.

Hon. GEO. F. FORSTER, M.P.,
Minister of Trade and Commerce,
Ottawa.

SIR,—In accordance with your instructions I proceeded on April 8, 1913, with the duty of inspecting the Commercial Intelligence Service in China, Japan and Europe and also, as far as the time at my disposal permitted, to collect information and report upon the condition and prospects of Canadian trade in the Orient. To that end I consulted the Boards of Trade at Vancouver and Victoria and the leading men of business upon the Canadian Service in the Orient, and at numerous interviews and conferences began to collect information relating to the prospect of Canadian trade in the Far East. A consensus of opinion among persons competent to speak with authority on the subject indicated that the export of wheat, flour and lumber—with the possible addition of fish—would in the immediate future constitute the most important of Canadian interests. In view of the fact that such export has been almost entirely carried on from the United States ports of Seattle, Tacoma, Portland and San Francisco, I proceeded to these cities conferring with the principal exporters there and took ship from San Francisco on April 19, arriving at Yokohama May 5. An interview took place in that city, with the Canadian Trade Commissioner, inspection of his office occurred, subsequently on my way to Hong Kong I called at Kobe, Nagasaki and Shanghai, where I met the gentleman in charge of the office of the Trade Commissioner at that place, inspected the office and proceeded to Hong Kong, arriving on May 16, and I left China on July 5.

It may be convenient to state that the time which it was possible to devote to the double duty involving a study of the Trade Commissioner problem in China and also to a report upon the economic conditions of the country with special regard to the probable development of trade with Canada was limited to a period of seven weeks. The magnitude of the task may be judged from the following facts:—

- 1st. The enormous size of China, its area being nearly double that of the United States.
- 2nd. The comparative absence of railways.
- 3rd. With the single exception of imports and exports, there are no statistics whatever in China.
- 4th. The dialects of the provinces differ so greatly that a native of one province cannot be understood by a native of another, and currency, weights and measures are in a state of hopeless confusion.
- 5th. The country was seething with revolution.
- 6th. The population is estimated at 400,000,000.

In contrast to this condition it may be stated that the British Government considered ten months a reasonable period in the case of the writer's investigation in Canada and Newfoundland (1907) and that, in a country of six and a half million inhabitants, intersected with railways, having a common language, possessing a statistical record of the activities of her people, and a uniform currency. In view of the difference between both the time allotted to the duty and the character of the problem presented, I can only hope to reflect the mature judgment of the European community and of leading Chinese upon the prospects of trade with China, and trust that these facts will be borne in mind in considering this report.