will not likely take the Captain long to discover things as they are.

In the meantime, the German Government is silent. Their problem is to obtain the repeal of fiscal arrangements which were brought about by Germany, and which are entirely automatic, depending upon the action of that country. The only way to remove the surtax is for Germany to remove the cause of its existence. The Association's representatives recently conferred with the Montreal Board of Trade, one of the most important commercial bodies in this country. The board took no action, which inaction speaks volumes. Canada, in trade matters, is as much sought as seeking. Then there is a large Canadian business awaiting division in the British Empire family. Germany wants the Canadian market and has made a mistake. Who must play the next card is obvious.

JAPANESE CONDITIONS.

The Japanese Commercial Commissioners are anxious to secure Canadian trade without the intervention of European commission merchants. They have made an extensive tour in the United States and this week visited Ottawa, Monttreal, Toronto and Guelph. Curiously, in some ways, the economic situation in Japan during the past few years has closely resembled that of America. Both continents experienced wild speculation, over-production and consequent depression. During the first half of this year, Japanese business has been somewhat inactive, although Baron Takahashi, one of the visitors to Canada, stated at a recent meeting of the Yokohama Specie Bank that a close survey of the situation shows an improvement over last year. The commercial stocks which were being held have nearly all been sold, and the majority of the firms who were hurt badly in the depression, have steadily recuperated. Immediate activity in the Japanese market is not anticipated, although the return of prosperity in Canada, the United States and, more slowly, in Europe will exercise a helpful influence in the Orient.

The Japanese internal money market has become slack owing to the successful flotation abroad of loans for various cities and industries. That factor, together with the sales of the various government stocks in foreign countries, has facilitated the influx of capital to Japan from foreign money centres. The interest of money has declined, and, although banks in all parts of the country lowered their rates of interest, they continually found difficulty in finding proper outlets for money.

Japan's exports and imports during the first half-year amounted approximately to 187,000,000 yen (a yen is about fifty cents) and 214,510,000 yen respectively, making the total of 401,510,000 yen in all. Compared with the figures of the corresponding period of the year before, there is a decline of 38,480,000 yen in the imports, but as there is an increase of 13,980,000 yen in the exports, the net result is a decrease of about 24,500,000 yen, including both the exports and imports. Of these figures the decrease in the imports chiefly consists of iron materials and machinery. This is attributed to the fact that the business men of all classes are engaged in the work of re-organization, and are maintaining a cautious and guarded policy, while the increase in export is due, on one hand, to an improvement in some degree of Japanese trade with China caused by the comparative recovery of the value of silver, and on the other, to the increased export of raw silk, tea and other articles, consequent upon the general economic conditions of Europe and the United States returning gradually to their normal and favorable level. Although there is a decrease in the foreign trade generally when compared with the corresponding period of last year, the general tendency of the trade may be said to be favorable to Japan.

While the general aspect of the internal money market has been dull, and also Japan's external commerce has exhibited a decline in its totals, yet the actual condition of Japanese banking operations, Baron Takahashi reminds us, has differed from the prevailing conditions of things in general. A comparative briskness due to such special circumstances as the large sales of government stocks abroad, a marked increase in the export of silks has been met. During the first half of this year the amount of exchange sold and bought in Japan on foreign countries totalled, roughly, 30,600,000 yen and 91,570,000 yen, respectively. Comparing these figures with those of the corresponding period of the preceding year, the increase amounted to 5,490,000 yen in the case of exchange sold and 9,850,000 yen exchange bought; while the amount of exchange bought and sold in foreign countries on Japan were 79,610,000 yen and 29,390,000 yen respectively. A comparison of these figures with the last corresponding period shows that, although there was a decrease of 2,410,000 yen in the exchange bought, yet as there was an increase in that sold amounting to 4,190,000 yen, the net result was an actual increase of 17,120,000 yen in the totals of all the exchange operations in Japan on foreign countries.

Our Japanese visitors this week are not failing to exercise their famous powers of observation. They are seeking the results of lessons learned by Canada and the United States in times of trade depression.

EDITORIAL NOTES.

A contemporary last week explained fully the Decline of Lacrosse. The story would have been more interesting had the C and one S been omitted.

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Montreal has handled sixty per cent. of the total amount of grain exported from all the North Atlantic ports. That is the statement of Major G. W. Stevens, president of the Montreal Harbor Commission. The fact is a demonstration of good results attained by a progressive harbor policy. There is still room for improvement in all our ports.

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This is a country of miracles. In an Ontario town, a building owned by the Misses Lola, Seillah and Sarah—obstructed, it is alleged, the public right of way. An ambitious Atlas in the dead of night shouldered the structure and departed. Lola, Seillah and Sarah discovered it next morning two miles distant. This house and town moving business, so fashionable in Canada, is becoming somewhat eerie. Quick change geopgraphy has its drawbacks.

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There seems to be little doubt that the Bank of England governors are determined to strengthen the London situation, at the same time keeping a critical eye upon the American side. The increase of their minimum rate from 2½ per cent. to 3 per cent. two weeks ago and a week later to 4 per cent. and to 5 per cent. on Thursday is bound to raise discounts in the general market. That 5 per cent. will be the rate until the close of the year does not seem likely. London bankers will charge substantial rates for renewals of maturing American notes. They do not appreciate the level manœuvred by American speculation in stocks. When the rate was raised to 4 per cent., the Bank of England reserve was nearly $5,000,000 below that of the previous week, and the demands abroad for the metal, especially from Egypt and the Argentine, showed little sign of abatement. In Germany, speculation has hardened money and demands for gold in that quarter are anticipated. That the 4 per cent. rate was generally expected is seen in the fact that when the announcement was made Consols were marked up 1 1/6. A sense of relief rather than of surprise was noticeable on the London Stock Exchange. The 5 per cent. rise came somewhat unexpectedly.