

OPPORTUNITIES FOR TRADE WITH JAPAN

Japanese are Changing from a Rice-Fed to a Bread-Fed Nation, an Important Consideration for Canada as a Wheat-Growing Country

[The following article has been received from Mr. C. Yata, His Imperial Japanese Majesty's Consul at Vancouver, B.C. It is well worthy of perusal and contains some suggestions of great interest to the Canadian trader.—Editor, Monetary Times.]

By C. Yata,

His Imperial Majesty's Japanese Consul at Vancouver.

The recent reports of the speeches of Mr. Martin Burrell, M.P., and Mr. G. H. Cowan, M.P., in the House of Commons against the promotion of trade between Canada and Japan are so misleading that I am tempted to answer them, assuming that the newspapers have given them a fair report. As Consul for Japan at Vancouver where my duties are of first importance in the promotion of trade and good feeling between Canada and Japan, I am necessarily sensitive to anything said which has a tendency to destroy the good feeling between the British people and Japan as also to injure or under-rate the importance of the growing trade relationship between Canada and my country.

The importance of Canada is one in which Japan rejoices, and whatever bitterness of feeling may be expressed against Japan by politicians, there is nevertheless deep down in the business life of Japan a very strong feeling of regard for the Canadian people. As the eldest daughter of Great Britain, we naturally look to Canada as one of the countries where not only we shall extend our trade but likewise from whom we shall be able to become large purchasers of her manufactured and natural products. On referring to both the Canadian and Japanese Government statistics of the amount of trade between the two countries since 1905, I find the following figures:—

1905.....	\$2,425,712	1908.....	\$2,937,242
1906.....	2,156,881	1909.....	2,743,939
1907.....	2,197,286	1910.....	2,861,831
	\$6,779,879		\$8,543,012

Growth of Trade.

It is plain that the last three years have shown a considerable advance in this growth of trade. In 1901 the trade was \$1,874,842 while the trade for 1910 was \$2,861,831, showing an increase of more than 58 per cent. It is clear that in the opening up of a new trade, this is a considerable and encouraging showing. The most striking feature of all is the great jump of Canadian export trade to Japan for the last ten years. Let the official statistics talk themselves:—

1900.....	\$112,308
1901.....	188,683
1902.....	293,277
1903.....	325,146
1904.....	342,116
1905.....	510,925
1906.....	493,952
1907.....	538,548
1908.....	740,958
1909.....	756,111
1910.....	660,522

showing an increase of 600 per cent. in ten years, and this growth being very sound and steady. I wonder whether there is any nation in the world, however ambitious, which would not be satisfied with six hundred per cent. increase of its export trade in ten years.

Value of Flour Exports.

The commercial relations between Canada and Japan may be said to have just begun for Canada's partaking of the present "Anglo-Japanese Commercial Treaty" began but five years ago. Mr. Burrell is reported to have stated that the exports to Japan of Canadian wheat and flour have been disappointing and to illustrate this he states that the export to Japan during the past three years amounted in value to \$23,000, attributing this to the heavy tariff imposed by Japanese customs. From the Canadian statistics, practically identical with the Japanese ones, it is shown that Canada has exported flour to Japan during the last five years to the value of \$384,994. This trade has just begun and there is no reason why Canada should not take from the United States a large amount of their flour and wheat trade with Japan.

Japan having a population of over fifty millions is now gradually changing from a rice-fed to a bread-fed nation. The home produce of wheat is limited, the annual production being only 20,000,000 bushels, which can not satisfy even the present demand, and so, it is necessary to import wheat and flour from the United States and other countries to the value of many million dollars annually. Japanese Government statistics show that Japan imported from the United States alone for three recent years as follows:—

1907.....	Y 8,477,000
1908.....	Y 4,767,800
1909.....	Y 3,011,000

The decrease of the import in the above last two years compared with the year 1907 was due to the high price of wheat resulting from poor crops throughout the world and the low price of rice in Japan owing to the heavy crop thereof. As for the import since last fall, I am in receipt of recent information that the amount of import from Pacific ports of the United States (principally from Portland) is unprecedentedly large, being at least four million dollars. Under present conditions in Japan the demand for wheat and flour is already large. As the home produce of wheat cannot be increased, in event of one-tenth of the present population of Japan becoming bread-fed people, one can realize how enormous the increased demand will be in Japan.

In this respect Canada is in a favorable situation, because in view of the fact that at present, while only five per cent. of arable land in the wheat belt of the prairie provinces is cultivated, Canada occupies the sixth or seventh position among wheat-producing countries in the world, it should be very easy for Canada to increase her annual production of twelve million bushels of wheat by six or seven fold and stand foremost in the world if only the prairie is fairly developed in the next score of years.

Canadian Flour is Good Quality.

Now that it is recognized by all that Canadian flour is of better quality than the American, I can not see why Canada stays far behind the United States in exporting wheat to Japan. Mr. Burrell seems to attribute this to the heavy duty imposed by Japan upon Canadian produce. This is entirely unfounded. The Japanese tariff treats the imported articles of all countries without any discrimination. The duty on imported flour and grains is as follows:—

Wheat	Y0.57 per 100 kin, viz. \$0.214 per 100 pounds.
Flour	Y1.45 per 100 kin, viz. \$0.554 per 100 pounds.
Barley	Y0.45 per 100 kin, viz. \$0.169 per 100 pounds.
Oats	Y0.47 per 100 kin, viz. \$0.176 per 100 pounds.
Other grains	15 per cent. ad valorem.

This can not be called by any means a heavy duty. For the foregoing reasons the failure of Canadian wheat and flour, so far, to secure the Japanese market must be sought from some other source. I believe that the responsibility lies with Canadian merchants whose efforts in cultivating the market for their merchandise are yet insufficient compared with American merchants. Once Canadian merchants awake to this and make reasonable effort there is no doubt that Canadian produce will command a splendid market in Japan and the arrival of such time will not be very far in the future.

Canada's Merchant Marine.

Regarding the building up a merchant marine of Canada on the Pacific I regret also to be unable to agree with Mr. Burrell. He stated that Mr. J. J. Hill failed to catch Japanese trade and he could not see much hope of succeeding where Hill failed. Far from it. Mr. Hill's railroad has the closest relation with our N. Y. K. Company. They have common interest and in spite of losing a large percentage of the passenger traffic since the Japanese Government has adopted the rigid restriction of its emigrants to this side of the Pacific both companies are enjoying a fair share of profits, and the trade between Japan and the United States is increasing year by year. It is true that Mr. Hill lost one of his sister boats "Dakota" by accident, but from any point of view it can not be said that he failed in his endeavor to catch the Japanese trade.

I would ask to what purpose was it that the people of Canada gave such generous assistance to her railways to the Pacific and for what purpose was it that these railway companies have extended and are extending into the Orient and other parts of the Pacific steamship trade? The only purpose which Sir John A. Macdonald had in his day and Sir Wilfrid Laurier has at present was and is to develop the trade of Canada and make Canada a factor of commercial importance in the British Empire. Their splendid enterprise and imagination have seen the enormous opportunities in distant lands of promoting and developing a great trade for Canada.

May be Much Activity.

The three Empress liners and the "Monteagle" now running between Vancouver and the Orient are experiencing every voyage more than full cargo and passengers. In view of the enormous traffic which the present liners can not handle, the C.P.R. is now contemplating the displacement of the 6,000 ton ships with the most up-to-date 12,000 ton steamers in the near future. It is a well-established fact that Great Britain is world-renowned as a naval and marine nation and wherever they go, they bring brilliant success in building up a merchant marine. The success of C.P.R.'s shipping on the Pacific is just one example of it. It is not only the C.P.R. that is keenly alive of the opportunity of the Pacific trade. The Grand Trunk Pacific are also to organize a fleet to develop traffic for their railway and the Canadian Northern are to enter the field.