MONEY AND MAGNATES

JAPAN, like Canada, is making plans for business-getting after the war, and as a competitor is likely to be very well worth watching.

The two spheres in which the war has been of the greatest advantage to Japan are those connected with shipping and shipbuilding on the one hand, and munitions and military equipment on the other. In October the large income derived from the sale of munitions enabled the Government to dispense with the usual issue of Treasury bills, while repaying the sums borrowed from the Bank of Japan the previous month, and depositing a large amount with that bank. Orders in June from China for military clothing had almost entirely to be refused, as the mills were engaged to the full extent of their capacity for the Allied Powers. Japanese mills made 8,000,000 yards of cloth for the Russian armies, in addition to the 1,500,000 yards sold by the Government from the military stocks. Prosperity in the shipping trade, as might be expected, has been phenomenal. Steamers, it is stated, have been bought and sold at about three times the normal price. The number of steamers in the course of construction for Japanese and foreign firms was reported to be 65, aggregating 289,450 tons. These orders were considered sufficient to occupy the Japanese builders at high pressure for the whole of 1916. One shipping company, the Toyo Kishen Kaisha, appears with a balance to its credit on the year's working after a long period of deficits. The universal shortage of tonnage, however, while creating its shipping and shipbuilding boom, affected adversely a number of industries. By the sudden withdrawal of the ships of the Pacific Mail Company, for instance, Japan was left with the problem of finding accomodation for the 400,000 bales of American cotton which had hitherto been carried mainly by them. Imports of Indian cotton were also affected, while the falling-off of British exports to Japan was in large measure due to the shortage of ships.

Thanks to large war orders, Japan's foreign trade for 1915 exceeded that of 1914, the total for the first eleven months being 1,124,000,000 yen, compared with 1,092,000,000 yen for the same period in the previous year. Exports for the first time exceeded imports, the figures for eleven months being 636,000,000 yen and 488,000,000 yen, respectively, compared with exports, 539,000,000 yen, and imports, 553,000,000 yen in 1914. The estimated decrease in customs duties in the new Budget, amounting to 4,900,000 yen, it may be noted, is more than covered by the increase in public undertakings. October returns showed increased exports of raw silk, cotton yarn, habutae, copper and tea, but a diminution in the import of raw cotton and wool.

But in spite of the satisfactory features enumerated, the verdict on the past year as a whole from an economic point of view must be that it was disappointing. The recovery of trade in general from the blow dealt it by the war was slow, and while the first beginnings of a marked improvement were apparent towards the end of the year, the effects of a lifeless money market due to lack of industrial enterprise could not be thrown off altogether. Deposits in the banks increased, but opportunities for turning them to good account were lacking. By the end of October, Japan's gold reserve had increased from 341,000,000 yen at the end of 1914 to 507,000,000 yen, of which 387,000,000 were held abroad. The amount of the gold reserve at home had decreased in this period from 128,000,000 to 120,000,000, mainly owing to the unfavourable condition of Anglo-American exchange. The outflow of gold up to the end of August amounted to 30,000,000, the largest outflow in any one year since 1904, and the bulk of it went to the United States. With a view to remedying the situation the Government transferred some 20,000,000 yen from London to New York, and imported a similar amount from the same source, while importing gold bullion from China and India. Another measure to relieve the prevailing slackness of the money market was the issue toward the end of the year of railway bonds to the amount of 30,000,000 yen for the redemption of the £3,000,000 sterling railway bonds issued in London and falling due next March.

The Government's efforts, however, have not stopped here. The far-reaching effects of the war upon general financial conditions as well as upon Japan's domestic and foreign trade, have prompted her rulers to inquire whether far-sightedness and organization cannot achieve yet more than they have done in the past for the country's welfare. It is not overlooked that the normal increase of the population is between 700,000 and 800,000 a year, and that if this rate is maintained, Japan will have nearly 100,000,000 inhabitants by the middle of the present century—a number entirely beyond the capacity of the country's agricultural resources to sustain. Industry must, therefore, play an important part in the economic expansion of Japan. But as industrial development can only take place pari passu with the expansion of markets, the Japanese Government has formed an official body known as the Foreign Economic Society, for the purpose of carrying out investigations bearing on the development of foreign trade, shipping, and every form of economic activity.

What Nova Scotia Has Done

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addition to the sum of $150,000 previously raised. The people of Halifax have thus far contributed at the rate of eight dollars per head. Since the inception of the fund in September, 1914, a total amount of over $769,000 has been voted by municipalities and subscribed by individuals, of which $495,850 has been paid.

The Nova Scotia Technical College has served many useful purposes in the present struggle. A rifle range was set up in the mining laboratory early in the war, and has since been used continually by the Officers Training Corps and some of the battalions quartered at Halifax. The Technical College has also been utilized by the Provincial Red Cross Society for the making of hospital garments, bandages, compresses and other supplies. This is considered the largest single manufacturing unit for Red Cross supplies in Canada. When the 25th Battalion were about to embark for overseas word came that the Germans had employed asphyxiating gas at the second battle of Ypres. It was determined that every man of the 25th should be provided with a respirator. Nearly 200 Red Cross workers gathered at the Technical College and completed the requisite number of respirators within the required time.

At the outbreak of the war the Nova Scotia Government contributed the sum of $100,000 for war relief purposes in Great Britain. Financial assistance has been rendered by the Government to the Citizens' Recruiting Committee. The expenses of the committee in connection with the employment of returned soldiers have been defrayed from that source, while the sum of $2,500 has been donated by the Government to the Serbian Relief Committee. Space forbids more than a mere mention of the other patriotic activities of Nova Scotians. These include contributions to the British and Canadian Red Cross Funds, Women's Hospital Ship, and for various other patriotic objects, such as machine guns, field comforts, ambulances, regimental funds, field kitchens and oilskins and boots for the navy. These contributions have reached the sum of $565,500.