

asks why paper of that character, with a certain required percentage of coin reserve, should not be the basis of security for bank-notes? Its use for this purpose would insure an elasticity in the note as a circulating medium, and the notes which would be issued by the bank in times of stress would automatically contract and be retired from circulation when the transaction creating the credit had been completed and the credit paid.

The suggestion is made that the supervision of this bank should be along lines somewhat similar to those governing the Imperial Bank of Germany, or the Reichsbank, involving the appointment of a general governmental supervising board, the members of which should be appointed jointly by the President of the United States, the secretary of the treasury, and the comptroller of the currency. Their terms of office might be so arranged that the majority of this board should not go out of office during any period of eight consecutive years—thus providing against a change in the policy in the management of such a bank, "even though the country should have a freak administration for two consecutive terms" as Mr. Reynolds remarks.

Then there might be another board selected by the stockholders, the members of which would confer with the officers and this supervising board, but, in order that the management of the bank might be entirely removed from politics, and to prevent the possibility of any syndicate gaining control of the bank, the supervising board, after they had conferred with the board representing the stockholders, might be vested with full power to appoint the directors and president of the bank to their respective positions for long periods of time, or for life—subject, of course, to removal for incapability or malfeasance in office.

When the United States bond-secured, national bank-note circulation is retired, the central bank would have the exclusive right of note issue, but Mr. Reynolds is of the opinion that this would come about largely through a process of evolution which would not disturb business conditions.

TRANS-PACIFIC COMMERCE OF CANADA.

An observant visitor to British Columbia on his return to Eastern Canada lately remarked that the only talk he heard about oriental immigration consisted of the complaints of housewives who could not get domestic help. Happily, the agitation that threatened for a time to check Canada's growing trade with the Orient has pretty well subsided. With the completion of another trans-continental line and the opening of another Pacific port of first importance, an impetus will almost certainly be given the Dominion's trade with its trans-oceanic

neighbour, and Imperial ally, Japan. That the trade of a people at once so enterprising, industrious and frugal as the Japanese is worth cultivating, needs no proof. A Toronto daily has lately reminded its readers—and incidentally, perhaps, the Government—that some time ago a delegation from the United States, representing both commercial and industrial interests, paid a visit to Japan for the purpose of making a study of industrial conditions there and of bringing the two countries more closely into trade relations with each other. Since which, the Japanese have appointed a delegation to visit America for the purpose of observing the industrial conditions in the United States and of reporting to the Japanese Government on the subject. That delegation will be on this continent in a short time, but unfortunately word comes from Ottawa that it will return without visiting Canada. Perhaps the invitation to cross the border was not tendered soon enough. Referring recently to the Japanese the Toronto Globe pertinently remarks:

"They have many kinds of manufactures that are attractive to Europe and America, and there are many Canadian products which they greatly need and are beginning to desire. They need our wheat to improve their own by admixture for bread-making purposes; they need our lumber and pulp; and many articles that we manufacture would find a ready market in Japan."

The course of trade between Canada and Japan during recent years is shown by the following table. Fuller details for the five fiscal years ending with 1908 are given on the opposite page.

TRADE OF CANADA WITH JAPAN.
(From Canadian Returns)

YEARS ENDED	IMPORTS FOR CONSUMPTION	EXPORTS	TOTAL TRADE
	\$	\$	\$
June 30, 1896	1,643,661	8,253	1,651,914
" 1897	1,333,865	141,916	1,475,811
" 1898	1,439,354	148,728	1,588,082
" 1899	2,018,107	135,265	2,153,372
" 1900	1,751,415	112,308	1,863,723
" 1901	1,619,105	188,683	1,807,788
" 1902	1,495,766	293,277	1,789,043
" 1903	1,428,416	325,181	1,753,597
" 1904	1,998,801	342,116	2,340,917
" 1905	1,914,787	510,925	2,425,712
" 1906	1,662,929	493,952	2,156,881
" 1907	2,017,536	583,570	2,601,106
Mar. 31, 1908	2,196,284	740,958	2,937,242
" 1909	1,985,868	754,372	2,740,240

While the United States can supply Japan's needs, nevertheless so far as wheat, lumber, and pulp are concerned, the advantage is on the side of Canadian producers. Tariff revision at Washington tends to favour Canada in the trade rivalry that is bound to become intensified on the Pacific Ocean as time goes on. The United States tariff is still high against both