

have gained control of it in the Three Eastern Provinces, we may harness the water power of the Yalu River to work on these metal ores. In view of the development of aircraft, in the future all the world will come to us for the materials necessary for aeronautics.

If all the enterprises mentioned above are made independent undertakings, they would make rapid progress and bring us at least a profit of 60 billion yen a year. The industrial development in South Manchuria means much to our national defence and economical progress. It will help us to build the foundation of an industrial empire. As to the cultural undertakings such as hospitals, schools and philanthropic institutions, they are our signal towers in the advance into Manchuria and Mongolia. They are the institutions for spreading our national prestige and power. More specifically, they are the baits for rights and privileges. Let us separate all these from the South Manchuria Railway in order that we may redouble our efforts and advance into North Manchuria to reclaim the sources of great wealth there.

When these important undertakings become independent and are free to develop without the interference of our officials, they will naturally become channels of national prosperity. On the wings of economic development, we could make rapid advance without either arousing the suspicion of the Powers or the anti-Japanese activities of the people of the Three Eastern Provinces. Such hidden methods would enable us to build the New Continent Empire with ease and efficiency.

The foreign loans for the South Manchuria Railway must be confined to those railroads already completed. Other railways built by us but nominally under Chinese control, can either be amalgamated with the completed lines or made independent according to the desire of the investing nations. The slogan of "Equal Opportunity" helps us to get foreign loans as well as to dispel suspicion of our designs in North Manchuria. At any rate, we shall need foreign capital to develop our continental empire. When the South Manchuria Railway is open