- 3 -

population, and with the hilly nature of the country we have only 16% of the land under cultivation even after cultivating to the top of the hill. Therefore the question is very simple for the Japanese nation at present. The sensible Japanese do not think that there is any danger for the political integrity of Japan, and therefore this military fear is subsiding in the Japanese mind.

In the second place a new consciousness began to rise in the Japanese mind, that is, the economic difficulty, how to provide for the 65 millions of people with not only food - for we can buy from Canada! - but the greater difficulty, providing employment for these people. What can we do? The only solution is in industrialising the country. Japan in sixty odd years has passed through a unique industrial revolution and from being formerly an agricultural nation is now one of the half dozen industrial nations of the world. Unfortunately, we lack two things for being a great industrial nation. One is the lack of raw materials to feed the industries. We have no gasoline nor oil for our industries. We have practically no wool, no cotton, and our only substantial resource is copper, which is not enough at present. So we have to find some means of getting raw materials from abroad. Most of these are found in the Chinese continent.

Again, there is the more serious problem of how to get markets; the market we used to have in China, through Japan's policy towards China, is zuixpaizizzai is gone. Japan's China policy came apon entirely new footing at the end of the great war. In 1924 haron \_\_\_\_\_\_\_ formulated a new policy of friendship and helpfulness owards China. In 1927-29 a Conservative cabinet under Baron \_\_\_\_\_\_ lightly deviated from this policy of the first Baron and was seferely unished by the election of 1930. The new Liberal party is in power