

is simply wonderful. There is no doubt that the United States will devote this newly acquired wealth to the cultivation of new resources and establishing new markets. There is every reason why America should endeavour to open new economic markets in China. And as America intrudes into China economically, she cannot avoid finding herself face to face with a rival called Japan. As the economic competition grows keener, it is inevitable that there should arise political differences. I fear whether the relations between the United States and Japan should not come to resemble somewhat those existing between Germany and England before the present war.

"In order to lessen the danger of armed collision between the United States and Japan, our Baron Shibusawa, during his sojourn in America proposed that Americans and Japanese should start many joint enterprises and thereby try to avoid all risky competition. But this proposal was not met with as much welcome as one could desire. Judge Gary also advocated co-operation of Japanese and American business men with a view of promoting Americo-Japanese friendship. He suggested that in case both countries are to trade in a third country, say China, they are to define their mutual spheres of commercial activities so as to avoid harmful competition. Such a policy, though not impossible, has some drawbacks, and one cannot but wonder how our business men will consider it."

The remainder of the article urged Japan to force the United States to give recognition to the equality of the Japanese.

An actual American loan to China was proposed in 1916, on which some of the talkers in Japan could hang their arguments.

A loan of £1,000,000 was concluded between the Continental Commercial Bank of Chicago and the Chinese Government. The money was to be used in reorganising the Bank of China and putting it on its feet. As security China pledged her liquor and tobacco taxes.

At once the four Allied Powers of the old quintuple banking group, reduced by one on account of Germany's isolation, filed an international protest. China had asked the allied group for a loan, and the matter was still under