

war"; but beginning with November of the latter year its loans have been of a more pacific character. At that time there was an issue of £25,000,000 with the object of repaying the nation's internal debt. In March, 1907, came a 5 per cent. loan representing the conversion of two series of 6 per cent. into one 5 per cent. loan. More recently came the South Manchurian Railway Company's issue of £4,000,000 5 per cent. sterling bonds, carrying a guarantee by the Japanese Government—the first loan of an outside company having national backing of this nature, and also noteworthy as the first loan which had as its object future production rather than recuperation from past losses.

Regarding Japan's loan operations, The Economist of London sees a possible danger of the Mikado's Government regarding European and American investors as having an inexhaustible supply of wealth, to be tapped on every occasion when the need appears. Even considering the 6 per cents as cancelled, the amount of money borrowed by Japan in Europe and the United States—but chiefly in Great Britain—during and since the war period is no less than £108,000,000, bringing up the total foreign indebtedness of Japan to about £115,000,000. At the same time the nation's internal debt has increased by well on to £60,000,000 until the total debt, foreign and domestic, is almost £220,000,000. An increase of foreign indebtedness from £7,000,000 to £115,000,000 within three years or so, is an expansion whose effects cannot but be world-wide in addition to the strain that is put upon the nation itself. Undoubtedly Japan has experienced a remarkable growth in revenue, but a considerable part of this is still due to special war taxation.

While there is the assurance that the proceeds of recent foreign loans will ultimately be largely spent in Great Britain—in payment for materials—The Economist considers that the long-continuance of conditions under which Japan is one of the largest holders of cash balances at every leading monetary centre is a circumstance not without its drawbacks. At times it doubtless contributes to the intricacy of the financial outlook, and, in Great Britain especially, "tends to make the resources of the money market, as displayed in banking statistics, greater than they actually are." Japan's large holdings of cash in London, Berlin, Paris and New York, have doubtless done much to maintain Japanese exchange despite a trade balance that has been heavily against the country. At present it would seem that every effort is being made to stimulate the export trade, so that, as cash balances abroad are decreased, it will be possible to meet the service of the external debt without

any damaging effect upon exchange. "At the same time," The Economist concludes, "the extent to which the foreign debt has grown must necessarily, for a while, be a considerable source of embarrassment to Japanese finance ministers, and we should be performing a poor service to our ally if we were to allow her to imagine that the rapid growth in her foreign operations is unnoticed by investors here."



British Journalists On Monday the British journalists who have been touring the Dominion at the invitation of the C.P.R. reached Vancouver. Mr. Ernest Brain of the London Times apparently expressed the views of the entire party when he said:

"It is difficult to sum up in a brief compass one's impressions of a country so vast as Canada. From the time of our landing at Quebec till that of our arrival at Vancouver the journey has been as instructive as it has been delightful. For my own part, I frankly confess that the country surpasses my anticipations, great as they were before I set eyes on the soil. Then the apparently boundless plains of the West, approached from the northern shores of Lake Superior, with the twin cities of Fort William and Port Arthur, and the great and flourishing city of Winnipeg, are an earnest of the incalculable possibilities of the new Canada opened up to civilization by the great enterprise famous throughout the world as the Canadian Pacific Railroad."



Railway Rates in the West. The complaint of the Western Boards of Trade as to alleged rate discrimination by the Canadian Pacific Railway against eastbound traffic has been passed upon by the Board of Railway Commissioners. The judgment of the majority of the commissioners is to the effect that the complaint should be dismissed except in so far as relates to the classes of traffic for which reduced rates are given under the special act authorizing a subsidy to the Crow's Nest line.

Chairman Killam in his statement pointed out that careful examination had showed that the rates from Vancouver to Calgary were really lower as compared with those from Winnipeg to Calgary than if they were based upon the proportionate expense.

The report of the traffic officer further showed that the rates from Vancouver eastward were lower than those on the United States lines.