

re-discounting the bills of the best houses, there is little doubt but that they could send to London batches of mercantile paper of the best quality and bearing strong bank endorsements, instead of borrowing on their finance bills.

But it is not likely that re-discounting will become the vogue in Canada. In the first place, there is no need for it; and secondly, the banks would not likely be favorable to a change that might give competitors an insight into their discounting business.



THE WORLD TRADE OF CANADA: II. FOREIGN CUSTOMERS.

Whatever comes to Canada in the growth of inter-imperial trade, there should be no neglecting of opportunities in foreign fields open to its commercial enterprise. On page 369 is given a table showing the trade of the Dominion during the past five years with all countries outside the British Empire. As the matter of commerce with the United States was considered at some length two weeks ago, reference will not now be made to it. But another next door neighbour claims attention. Yesterday one of the "orient sleepers," the island nation of Japan is to-day phenomenally awake. To the trade outlook of Canada, this "elder east" has marvellously become a new west—in point of civilization and commercial opportunity as well as in geographical situation. Major Robert Larmour in his recently issued pamphlet "Canada's Opportunity" gives special prominence to his belief in a future of growing mutuality in the trade interests of Canada and Japan. It is his prophecy that the majority of the ships of the latter country will eventually seek the ports, not of San Francisco, or Seattle, but of Vancouver and Prince Rupert. And the prophecy is not so extreme as it might appear at first thought. Geographically Canada is at no disadvantage. From San Francisco to Yokohama is a run of from about 4,500 to 4,800 miles according to the route taken. From Vancouver the distance is under 4,300—not a very great saving it is true, but certainly better than an unfavourable difference.

At one time San Francisco considered itself the sole gateway between America and the Orient. By the beginning of the present century Seattle had wrested the distinction of being leading port, its exports exceeding those of the older city by about two millions of dollars a year. That a similar opportunity lies before Canada can scarce be doubted. Just how soon the possibility is to become reality must, of course, depend upon the energy and persistence with which trade is pushed; and, back of that, upon the internal development of the country's resources. However direct the opportunity offered by a foreign market, the

volume of exports is limited to the surplus of products available. But now that the development of the Canadian West is moving on apace, there is certainty of large increase in the amount of products for distant markets. So much then for the possibility of supply; the extent of the demand seems no less assured. Japan like its European ally, has primarily an insular domain, and its annual increase in population more than outstrips the country's increase in food supplies. Along with this factor of nature is to be considered also one relating to civilization. In addition to other European tastes, the inhabitants of Japan are quickly developing a liking for wheat, so that this grain is bound more and more to supplement, if not displace, the national cereal rice. The Japanese Consul-General for Canada, Hon. T. Nosse, estimates that by the next decade Japan will find it necessary to import wheat and flour to an amount of \$15,000,000 or more. At present she is importing from the United States to about one-tenth of that amount, while all other countries send her something under \$1,000,000 worth in addition. Within the next ten years therefore, there is likely to be ample trans-pacific demand for the wheat yields of the western provinces of Canada. But in order that supply may reach demand, trade facilities must be adequate. As yet Canadian wheat, though better than that from the United States, has been at a great disadvantage in Japan on account of its higher price due to transportation cost through the mountain passes of British Columbia. But this difficulty is not an insuperable one and must give way as the possibilities of the future are more fully recognized and prepared for.

Before the Osaka Exposition of 1903, at which Canada was represented, the products of the Dominion were but little known in Japan. Also, there were formerly tariff disabilities owing to Canada not being a party to the Anglo-Japanese Commercial Treaty in 1894. Now, however, that the Dominion enjoys the minimum tariff extended to Great Britain, there is wide opportunity for increasing trade relations. In the fiscal year ending June 30, 1903, exports to Japan amounted to \$325,000; in 1904, to \$342,000; in 1905, to \$511,000; while in 1906 they declined slightly to \$494,000. However, the monthly Trade and Navigation Statements of the Dominion indicate an increase since June, 1906, upon the corresponding months of the preceding year. But while there has been fairly steady growth in recent years, Canada's trade with Japan is to be considered as scarcely more than in its infancy. The more reason is there, then, for looking carefully to its present strengthening and to its future healthy growth.

Much of what has been said regarding Japan applies equally to China; and the signs of awaken-