

organization. The Government is co-operating with the industries and extending liberal financial support. It is improving ports and developing land and water transportation. It is taking measures to supply raw materials and machinery for finished manufactures. Japanese commissioners are in many countries studying the methods of competitors and looking for new markets. Financial legislation has been prepared to enable the banking institutions to support the enterprises of manufacturers and traders. Industrial companies are increasing capitalization and combining through amalgamation or agreements to cheapen and increase production, and to maintain selling agencies in foreign markets. They are testing the natural resources of China through companies representing Japanese capital or with capital jointly furnished by Japanese and Chinese interests. A company is erecting a steel plant in Chosen at a cost of \$16,000,000 with a capacity of 90,000 tons annually. By the end of this year it is expected the annual production will be 1,150,000 tons of iron and 1,160,000 tons of steel and in five years 1,500,000 tons of iron and 2,140,000 tons of steel. The whole effort of Japan is to produce herself the raw materials and finished products which Germany supplied and to sell her own products to countries which formerly bought from Germany. Before the war Japan imported dyes from Germany to the value of \$3,500,000 a year. She has granted subsidies to dye industries for a ten year period which will enable Japanese companies to pay 8 per cent. on paid up capital. Half the capital of such companies must be provided by Japanese subjects. Over all companies subsidized the Government retains a right of supervision. It will exercise this power over a new company with a capital of \$50,000,000 to finance trade and commerce. A Loan Bank has been established to advance money on the security of

ships under construction. The nominal capital is \$10,000,000 but the bank may enter into engagements of \$100,000,000. It is proposed to have Japanese banks at every point touched by Japanese merchants and already many such banks have been organized. As evidence of the close connection between banking and business during last year 100 new Japanese business houses were established in Shanghai. The Yokohama Specie Bank has arranged for regular advances to Japanese merchants in the United States, Hawaii, Buenos Aires, Rio de Janeiro, Java and Canada. The Governor of the Bank of Japan has said: "We should be ready for the occasion with the united strength of the whole nation. At home we must apply ourselves to the task of promoting productive industry, abroad we must endeavor to secure the extension of markets and the establishment of commercial credit. In this way, to further the augmentation of the national resources and to make preparation for eventualities during the war as well as after it—these are indeed, I believe, the most urgent tasks for us at the present moment." During last year Japanese exports to Canada increased from \$4,107,618 to \$8,122,725. In five years imports into Canada from all other countries have increased 30 per cent. and from Japan 130 per cent. The significance to Canadian industry of Japanese competition in the future cannot easily be exaggerated.

Canadian Export Trade

It may be that in Great Britain and the United States there is a multiplicity of organizations devoted to reconstruction. But it is certain that we cannot be idle in Canada if our industries are to be adapted to new conditions and world markets. The movement which Hon. Frederic Nicholls has inaugurated in the Senate for a Canadian Trade Corporation should have liberal aid from the Government and the active,