

among men resident in the East or engaged in Eastern commerce. How far or how quickly industrial activity will develop in the western provinces of Canada depends upon problems now in course of solution. That cost of production will increase in the Orient appears to be certain. Whether the labour costs in the Canadian West will render manufacture possible is not so clear. Ultimately it would seem that the West must either submit to the importation of a greatly increased volume of manufactured goods or to a condition which would render competition possible. There is no escape from the law of supply and demand, and growth of wealth and population must of necessity depend in British Columbia, as elsewhere, upon successful competition.

The emergence of Japan, her marvellously rapid transformation from a medieval and feudal into a modern state, equipped with all the material implements of western civilization, has raised, for the first time, the question whether the supremacy of the white races is as indisputable as public writers have hitherto imagined it to be, or in other words, whether the white races can rely upon the continuance of a vested monopoly in the civilization which they have built up during the course of so many labouring centuries. In the *Times Japanese Edition*, 1910, from which the above has been extracted, there appears a letter from Count Okuma, who says in part:—

Japan, during the last half century has been confronted with abrupt changes in almost all her social affairs and she is still undergoing change. In comparing old Japan as it existed to the middle of the nineteenth century and the new Japan of the present day, nobody can help marvelling at the suddenness of this change. The feudal system which had grown up during hundreds of years was abolished in a single day. The benefits of education are now extended to the whole nation; new trades have sprung up out of contact with the new civilization; new enterprises have been developed, and in this domain the changes have been almost revolutionary. What future changes will yet overtake us as we move forward to our national destiny? This is a subject which deserves and engages our deepest attention. That Anglo-Saxon civilization founded on justice and humanity should easily have influenced the life of Japan is something more than a mere chance coincidence. The expansion and development of new Japan has been achieved by absorbing western civilization. Japan has already opened wide her door to trade and commerce, and not only is she welcoming foreigners but she is ready to welcome also the civilization of Europe and America, and her settled policy is to accomplish her national destiny by assuming a fair and impartial attitude toward her competitors. I am, as yet, only partially satisfied in my own mind with the present state of our progress, and I fully recognize how much is yet to be done and how great is still the need for us to quicken our exertions and direct them in the line of comparative studies. Moreover, as a sequel to early expansion prices have risen, and there are signs that our people may encounter grave difficulties in the cost of living. Sooner or later the nation may have to grapple with the social problems known as the "labour question," with which Europe and America are already so painfully familiar.

The closing lines of this communication from one of the leading authorities of Japan confirms the expression of opinion found on page 32 of this report, and is interesting from the Canadian point of view because it indicates a limitation of the power of Japanese competition and at the same time suggests a greatly enlarged consumption of Canadian commodities. Just as the growth of population in Canada will provide a market for Japanese commodities not produced in Canada, trade will be built up by Eastward cargoes of Canadian products. The same remark applies to China, more particularly in regard to flour and lumber, with the addition of the numberless commodities which follow the establishment of trade exchanges.