

Japanese Trade

Decline in some lines—Shipbuilding—Abundance of Gold.

Japanese commerce, which enjoyed a phenomenal increase during the first half of the present year, has been experiencing a somewhat remarkable decline in the second half, due chiefly to abnormal prices and freight congestion, says the Tokio correspondent of the New York Journal of Commerce. During the first ten days of August, for example, exports totalled 40,878,000 yen, and imports 23,733,000 yen, leaving a favorable balance of 17,145,000 yen; but, while the balance is 12,934,000 yen above the corresponding period of last year, it yet represents a total decline of 25 per cent in general trade for the present year. The aggregate result of the past seven months as compared with the same period last year may be indicated as follows:

	1917.	1916.
Exports	888,305,000	297,067,000
Imports	549,415,000	89,063,000

This shows that the year's net gain for Japan so far has been 338,890 yen.

The decrease in exports is for the most part in raw silk and copper, which the increased trade in cotton textiles and refined sugar could not offset. It is worthy of notice that raw silk soared beyond all expectations and checked foreign purchase. Copper was in great demand abroad, but lack of adequate tonnage and the disorder in Russia retarded exports of the metal from Japan.

Though the figure for imports shows an increase of 6,395,000 yen over the corresponding period of last year, it nevertheless represents a decline of 23 per cent, as compared with the preceding ten days of August this year. Urgent as extended exports may seem to Japan, this falling off in imports is of far more importance, since it means the impossibility of securing sufficient raw materials for industry.

WEAVERS FEEL WOOL SHORTAGE.

The most important reductions were witnessed in wool, iron bars, rods and other raw materials, only hemp and sugar having registered a fractional increase. Since the commandeering of Australian wool by the British Government, Japan has been largely dependent on the South African clip, but now the wool crop there is wanted in England, and the inconvenience to Japanese weavers will be very great.

In a similar way the progress of Japanese shipbuilding is being hindered by the ban on exports of steel in the United States. A deputation of shipbuilders has been dispatched to America to see if something cannot be done to keep the Japanese yards going, but the results do not appear hopeful as yet. The seriousness of the situation will be apparent when it is remembered that the shipbuilding industry has undergone great development during the last two years, some seventeen new dockyards having been opened. In 1915 Japan constructed only 50,000 tons of shipping; last year she launched 108,000 tons, and this year, if she can secure the necessary material, she will launch some 500,000 tons, a good part of which is to British order. Charter rates are still increasing, 40 yen per ton being now demanded, and for new hulls 900 yen a ton. A vessel of 1,600 tons has recently been sold for 1,250,000 yen.

Japanese shoe men have recently concluded an order with Russia for 700,000 pairs of army boots at \$9.50 a pair, payment to be made by issue of Russian treasury bills in Japan. The output and export of chlorate of potash continues at a remarkable rate, some 8,000 barrels having left Yokohama since the first of the year, chiefly to America, China and Hong Kong, at about 70 yen a barrel.

GOLD HOLDINGS INCREASE.

Financially Japan continues to prosper to an unprecedented degree. Gold specie has now reached the enormous figure of 924,000,000 yen, of which 373,000,000 yen is being held at home and 551,000,000 abroad. Of this sum 318,000,000 yen belong to the Government, and 601,000,000 to the Bank of Japan. Unlike foreign governments, it has for many years been the practice of the Japanese authorities to publish the amount of specie on hand every ten days or so, but the recent abnormal increase is believed to be exciting envy in certain quarters abroad, and a proposal has been brought forward to discontinue the publication of the specie reserve. Publication was considered advisable for the sake of ensuring national credit so long as Japan suffered from an unfavorable balance of trade, which caused an unusual outflow of gold; but now there is no longer any doubt as to the stability of the nation's convertible note system and foreign investors are in no need of reassurance.

QUEBEC AND SAGUENAY RAILWAY.

In the House of Commons at Ottawa on Thursday evening there was a discussion on an item of \$3,367,000, a revote of part of \$4,000,000, for the purchase of the Quebec and Saguenay Railway. The road had been taken over by the Government and the difference between the two items had been spent in construction. The company objected to the allowance made by the Exchequer Court as the purchase price and nothing had been paid. The Minister of Railways said nothing would be paid, except what was required to finish the road, until the matter came under review of a new Parliament. Mr. Nickle, Conservative member for Kingston, strongly opposed the Government's proposal as one of a class of unnecessary expenditures, contrary to the spirit of economy that was everywhere preached. He voted with the Opposition against the item, which was carried in committee-of-the-whole by a vote of 29 to 14.

TONNAGE SOO CANAL.

With a tonnage slightly higher than for the month of July, but not as high as August of last year, the present month's statistical report of traffic through St. Mary's Falls canal closed, showing 13,967,108 tons of freight were locked through.

FRANCE'S SHIPPING LOSSES.

The official weekly report of French merchantmen sunk by mines or submarines during the seven days ending September 2, shows that three vessels of more than 1,600 tons were sent to the bottom. No vessels in the category of less than 1,600 tons were sunk.

One vessel was unsuccessfully attacked by a submarine.

No fishing vessel met with disaster.

The Admiralty statement for the week ending August 26 said three vessels of more than 1,600 tons and one vessel of less than 1,600 tons had been lost by submarine attacks or striking mines.

PERSONALS.

Mr. W. E. Duperow, assistant general passenger agent, Grand Trunk Pacific Railway, Winnipeg, has been made general passenger agent of the Grand Trunk Pacific Railway and the Canadian Government Railways, with headquarters at Winnipeg.

The resignation of J. K. MacNeillie, general superintendent of the Canadian Government Railways, is announced. He has accepted a position on the Delaware and Hudson under F. P. Gutelius, former manager of the C. G. R.

L. S. Brown, who has for some time been occupying the position of assistant general superintendent, will be appointed to the post vacated by Mr. MacNeillie.

Out of twenty representative English railway companies, four have just paid larger mid-year dividends than in the middle of 1914, five have paid less, and the others made no change.

In this connection it is interesting to note the decision of the Japanese Exchange Banks to raise the rate of exchange with Japan. Hitherto it has been the practice to keep the value of the yen as low as possible in order to enhance the export trade of Japan, but now an effort is being made to place importers in a more favorable position, as well as to improve the advantages of Japanese investors abroad. It is also hoped that the change will encourage borrowers to seek money in Japan, and thus relieve the present surplus of specie to some extent. The Yokohama Specie Bank was the first to put the new policy into practice, raising the rate on American exchange one-eighth. Thus the yen in one day jumped from 50½c. to 50¾c., and the yen in shillings is now 2s. 1½d.

The Government contemplates raising a domestic loan of 100,000,000 yen in September at 5 per cent. for the conversion of Russian treasury bills, term to be three years and a half; while the city of Kyoto is raising a domestic loan of 18,500,000 yen at 5½ per cent. to convert a French loan of 50,000,000 francs at 4.50.

"PROPER PACKING AND LOADING."

To assist in the effort now being made to conserve the food supply of the country, the Grand Trunk is initiating a campaign of which the slogan will be—"proper packing and loading." In a special notice widely circulated, the company points out the important part which the railways of the country must play in the campaign for the conservation of food. Indeed, that part is as conspicuous as that of the producer himself, the company says. To the end that the railways may render the most efficient service in the connection, the co-operation of all is sought in the proper and most efficient handling of freight and freight equipment.

"Full loads, prompt loading and unloading, and speedy movement are essential features of freight service, that are now demanded as never before."

The Grand Trunk also points out the necessity for proper packing and unloading; and shows what losses result through unsuitable package cases. In many instances cases that would be suitable for oranges are not suitable for canned goods, and so forth. Proper packing and loading, prompt unloading, speed, efficiency in the handling are the factors which will tell as far as the railways are concerned in the important matter of food conservation, according to the statement of the Grand Trunk.

THE C. P. R. AND C. N. R.

Sir Thos. White replies to Lord Shaughnessy.

OTTAWA, September 4.

In a statement to-night Sir Thomas White says: "My attention has been called to a statement, appearing in to-day's press, by Lord Shaughnessy, president of the Canadian Pacific Railway Company, respecting the proposed acquisition by the Government of the capital stock of the Canadian Northern Railway Company. In the course of his remarks, Lord Shaughnessy makes the following assertions:

"It is true that the acquisition of the Canadian Northern by the Canadian Pacific was discussed by representatives of the parties concerned, but the discussion was at the suggestion of members of the Dominion Cabinet."

"After a time it was evident that no transaction was possible and negotiations were dropped."

"I desire to say that Lord Shaughnessy is under a complete misapprehension as to the origin of the negotiations referred to, which were initiated by the two companies themselves, and not by the Government. We became aware that such negotiations had been initiated and that they involved as a part of the transaction the surrender of the forty million dollars of stock of the Canadian Northern Railway Company held by the Dominion Government. In one or more interviews I discussed the matter informally with Mr. Beatty, vice-president of the Canadian Pacific Railway Company. My conclusion was that the transaction was impracticable, and I so informed Mr. Beatty, suggesting at the same time that nothing further should be done in the matter pending a full consideration by the Government of the report of the Railway Commission, which had come to hand some time before, but which had not yet been taken under deliberate review. After giving the report its best consideration, the Government determined to acquire the capital stock of the Canadian Northern Railway Company and introduced to Parliament the necessary legislation to that end.

"Lord Shaughnessy refers to 'personal investments in unfortunate ventures, such as coal mines, lumber mills, blast furnaces and other works alleged to have been undertaken for the advantage of the Canadian Northern enterprises, but being in fact private speculations of the promoters of the railway company.' As the mines, lumber mills, furnaces and other works referred to are not owned by the Canadian Northern Railway Company, it is to be pointed out that they are not within the scope of the arbitration for determining the value of the Canadian Northern Railway shares which are to be acquired by the company."

UNION IS STRENGTH.

There are to-day over 100,000 cars in the States transporting material for military camps and this without in the least disturbing normal business. This has been made possible by the co-operation of effort which has been brought about through the action of the railway board.