

China is chiefly interesting because of its possibilities as a world market. Some of those who are actually resident in the Republic feel a deep sympathy with a country that is striving to emancipate itself from the traditions and customs that have checked all progress in the past. They know that the Central Government is slowly, but effectually, reforming the internal administration; restoring order after the financial chaos caused by the reckless methods of the late dynasty, and rooting out the canker of corruption that has hitherto made the Chinese official a menace to the Chinese people and an object of contempt to the foreigner. The sympathetic observer sees that genuine efforts are being made to bring about the reformations necessary, and he realizes that, if China is helped instead of hindered by other Powers, she will in time achieve a degree of strength and stability that will entitle her to claim an effective voice in Far Eastern politics. But considerations of this character appeal only to a small minority of foreigners and the fact must be faced that, while the preservation of China's sovereignty and independence are but of academic interest to the majority, the retention of a market that has already been extremely valuable and that possesses practically limitless future possibilities is regarded as a matter of the first importance.

Experience has shown that in regions in China in which political control is exercised by the Japanese the tendency is for foreign trade other than Japanese to diminish. South Manchuria is a case in point. When South Manchuria was in Russian occupation a large trade in British and American manufactures was built up. It was trade of a very valuable character, as the people of Manchuria, while discriminating purchasers, were always prompt in meeting their engagements and were in every way good customers. Some difficulty is experienced in collecting statistics to show to what extent Japanese trade has increased and foreign trade fallen off in South

Manchuria since the war between Russia and Japan. The Customs Office at Dalny or Dairen was established only a few months before the war, and consequently comparative figures are not available. Newchwang was the chief port of entry in 1903 (the year before the war), but the greater bulk of the trade now passes through Dalny and Antung. However, the Chinese Customs returns in relation to Newchwang, notwithstanding the changed conditions there, are still of some value for comparative purposes, as it may be assumed that the falling off in the trade because of the rivalry of Dalny and Antung would affect foreign countries more or less equally, although the returns of Japanese trade at Newchwang might be expected to show the greatest falling off as it would naturally flow through the nearer ports. This latter result has not proved to be the case. While figures in regard to the total trade of each of the respective countries whose goods pass through Newchwang into Manchuria are not available it is, perhaps, permissible to quote those relating to one or two standard staples, and to assume from what these disclose that the general tendency has been similar. In the Chinese Customs returns for Newchwang for the year 1903, we find under the heading "gray, plain sheeting" the following:—

Country	Pieces.
American	1,033,089
Japanese	70,800
English	5,200

Under this heading the figures in 1913 were:—

Country	Pieces
American	225,210
Japanese	124,840
English	4,290

It will be noticed that there has been a very marked falling off in the total trade, but that while American trade fell off by more than 75 per cent, and that of Great Britain by 20 per cent, Japan's trade increased by some 75 per cent. The figures given suggest that the trade generally has fallen off materially, but we
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Economic Effect of the Extension of Japan's Spheres of Influence in China.

A timely article appears in the *Far Eastern Review* under the above caption. We shall give the continuation from time to time next week.

In previous articles in regard to the demands presented by Japan to China, we have chiefly dealt with the political aspect of the situation thus created. It has been shown that Japan sought to secure political control of South Manchuria, Eastern Inner Mongolia, Shantung and Fokien, and moreover, that she desired to obtain a dominating voice in the political, military and financial affairs of the Republic by the appointment of Japanese advisers. By asking China to assent to the proposition that the preservation of the territorial integrity of China was a matter that solely concerned China and Japan, she endeavoured to establish a form of suzerainty over the Republic. These demands, involving as they do a material alteration in the *status quo* in Eastern Asia, are undoubtedly contrary to the principle upon which the Anglo-Japanese Alliance, the Root-Takahira Convention and other agreements to which Japan is a party, are based. It may be anticipated that when the time is opportune the Powers whose political interests are concerned will give this aspect of the matter due attention.

Turning to the economic incidence of the demands, it may be said that to many, if not to most, foreigners

What America Thinks.

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find under the comprehensive heading "cotton goods" in the Antung returns for 1913 the following:—

Country	Pieces
Japanese.....	1,374,744
English.....	27,007
American.....	90

This would indicate that much of the trade that formerly passed into Manchuria through Newchwang now finds Antung a more advantageous portal. It is also clear that trade is almost monopolised by Japan.

The figures for sheetings are sufficiently illuminating, and when attention is given to drills it will be seen that the diminution in foreign trade is not confined to one line. The following table presents the facts in regard to drills:—

Country	1908	1913
American... 569,655	...	72,670
Japanese ... 87,430	...	80,075
English	380	1,829

In this instance Japan has ousted America from the premier position even at Newchwang, which for geographical and other reasons is the port least favoured by Japanese exporters (in 1907 it was estimated that Japanese imports to Manchuria in 1906 amounted to over G.

\$12,000,000, of which less than \$1,500,000 paid duty at Newchwang).

It can be seen from the figures that have been quoted that Japanese goods, even when there was some limitation to the control exercised by Japan over South Manchuria, succeeded in displacing those from other countries. When we turn to Korea, which has reached the final stage of the journey upon which South Manchuria has progressed far and upon which, under Japan's guidance, Eastern Inner Mongolia, Shantung and Fukien are invited to start, it is found that the trade of countries other than Japan is steadily diminishing. Taking the items grey sheetings and shirtings, it is found that in 1909, the year before the annexation of Korea by Japan, Japan's share of the trade was fifty per cent, and Great Britain's forty-nine per cent. In 1913 the Japan's share was ninety per cent. and the British eight per cent. In the period in question the trade in British T cloths disappeared,