

# JAPAN'S FUTURE IS FAR FROM BRIGHT

## Nation Stagners Under Enormous War Debt and Business Is Stagnant.

### TASK FOR NEW CABINET

#### Influential Public Men Demand Retrenchment and Economy—Any Foreign War Utter Impossibility—Talk of Protection.

TOKIO, August 15.—(Special).—For some time it has been evident to all who have closely watched the course of events in Japan that the economic outlook in this country is far from bright. It was inevitable that Japan's deadly struggle with Russia should result in enormous financial burdens being placed upon the Japanese people, and that to make these burdens tolerable sagacity of no mean order would have to be displayed by the statesmen entrusted with the administration of affairs. But while it is a matter of common knowledge that Japan's indebtedness was enormously increased owing to the war, few, perhaps, are acquainted with the fact that in the budget for 1907-8 the provision made for the service of the debt was nearly twice as large in amount as the total national expenditure for 1905-6. The figures issued by the Department of Finance show that in 1895-6 the expenditure, ordinary and extraordinary, reached a total of 85,317,179 yen, the debt charge being 24,180,813 yen. In the budget for 1907-8 the debt charge was placed at 166,102,641 yen, and the total expenditure at 618,441,047 yen. The official publication further shows that the amount of debt per head of the population rose from 4.795 yen in 1895-6 to 45.012 yen in 1906-7.

#### Task Made Difficult.

The task with which Japanese statesmanship is faced is rendered all the more difficult by circumstances beyond the control of governments. A period of wild speculation followed the war, and the inevitable reaction had a disastrous effect on commerce. Another factor in the situation was the economic crisis caused by the monetary crisis in the United States, the effects of which were universal. The fall in silver, moreover, enabled the producers of Chinese silk to compete more favorably with the Japanese product, and enhanced the price from the purchaser's point of view of articles which China has been in the habit of importing from Japan. How far the Chinese boycott of Japanese goods and shipping will prove injurious it is impossible to say, but there appears to be little doubt of its gravity. The Tatsu Maru incident appears to have seriously wounded the amour propre of the Chinese, who have shown their resentment by boycotting Japanese shipping as well as Japanese goods.

#### Can She Bear Burden?

Putting aside all temporary factors, however, the broad question is, will Japan be able to bear the burden imposed on her as the result of her struggle with Russia? The answer depends on the financial policy which will be inaugurated by the new Cabinet. Prominent business men are entering the political arena in order to combat increasing expenditure, and the effects of enhanced taxation are regarded with widespread alarm. The military party is for increased armaments, on the other side is ranged an influential body of public opinion which demands retrenchment and economy. Apollonia of protection urge that when the conventional treaties lapse in 1911 Japan will be able to increase her import duties and thus stimulate her home industries. The view was recently advanced by the director of the government steel works at Wakamatsu before the Burger committee. Great expectations were raised when the Wakamatsu foundry was established. Rails, bars, angles and plates were being turned out in large quantities from the foundry several years ago, and it was predicted that importers of steel manufactures would find a serious competitor in this establishment.

#### Foundry Dismal Failure.

So far, however, the foundry has been a financial failure, though it has cost the country nearly \$30,000,000. It has been contended by some authorities that the enterprise has not been conducted on efficient commercial lines, and they suggest that the foreign advisers employed by the government were not retained for an adequate period. In any event, the foundry is regarded as a "white elephant" in this country, and its director can only propose as a remedial measure the adoption of a high protective tariff. Commenting on the Protectionist theory the Japan Chronicle remarks: "While the government advocates urge on the one hand that high tariffs will diminish imports and protect the home industry, they assume on the other that a larger revenue will be obtained from these increased tariffs. How then can the home trade be protected if the same quantity of goods is to come into the country even at higher prices? Clearly Japan cannot have both protection for her manufactures and increased revenue from her tariff, and it is also evident that just as she checks imports by high duties, so she will raise the freights on her exports and damage her own manufacturing industry. One of the chief obstacles to the development of a great shipping industry, but the experience of other countries shows that this will be possible so long as she remains wedded to her policy of protection."

#### Another Warning Given.

A similar warning is contained in a less direct form in a report on the trade of Japan from 1907 by Mr. Crowe, commercial attaché to the British Embassy at Tokio, which has just been issued. Mr. Crowe's report is comprehensive and suggestive. It is recognized by most people, says the report, that Japan must increase her exports very considerably if she wishes to fulfill her aspirations; otherwise it is not clear how she is to keep up her heavy expenditure on her army and navy and pay the interest on her foreign debt. Last year, however, the expansion in her exports was no more than \$4,491,175, equivalent to 14 per cent; and, as Mr. Crowe points out, an analysis of the figures is disappointing since most of the manufactured articles on which it was hoped Japan would continue the progress she had made in 1906, show either small increases or actual decreases. For the first four months of the current year, moreover, exports from Japan exhibit a decline of \$2,850,000, as compared with the corresponding period of 1907.

#### Labor May Go Higher.

The facilities which Japan offers for manufacturing have frequently been described. Labor is cheap, and coal and water plentiful. Mr. Crowe emphatically maintains that any great ad-

### TEN-STORY BLOCK UNDER CONSTRUCTION FOR MEIER & FRANK COMPANY



HANDSOME BUSINESS BUILDING, AT SIXTH AND ALDER STREETS, WILL BE RUSHED TO COMPLETION.

Illustrated above is the architects' drawing of the new Meier & Frank building, now being erected at the southeast corner of Sixth and Alder streets, the construction of which will now go rapidly forward to completion. The firm gave out yesterday, for the first time, many of the details and new features to be inaugurated in the construction of the building. As has been reported heretofore, it will be ten stories in height, and be of steel construction, absolutely fireproof throughout. The firm announces that no expense is to be spared to make this structure the finest of its kind on the Pacific Coast. The exterior will be of white, dull-glazed terra cotta, which is now being extensively used in the construction of high-class buildings throughout the country. The effect will be good, and it will be possible to keep the appearance of the building like new for many years to come. This will be the first building in Portland to use this type of exterior, and probably will be followed by others who contemplate erecting office buildings, or large business structures, to use this style of finish material in preference to brick and standard terra cotta.

Workmen are now engaged in underpinning the walls of the present Meier & Frank store building as well as the Stearns building, preparatory to digging out 12 feet more of the basement, which will go to a depth of 21 feet, giving two floors below the street level. The firm has the assurance of the contractors that this sub-basement will be absolutely waterproof.

Every innovation that has been used with success in the modern department-store building will be used in this new building of the Meier & Frank store. Rest rooms, waiting rooms, nursery, elaborate toilets and every new convenience for patrons will be inaugurated. The store equipment will include seven passenger elevators—four in the new structure and three new elevators in the present building; pneumatic cash service system; vacuum compressed air for cleaning purposes.

Various new departments are to be added. Lines to be added will be announced later. The details regarding which departments are to occupy the new building have not as yet been worked out. The new building is to have three entrances—a magnificent double entrance at Sixth and Alder, and another at the extreme northerly end of the building on Sixth street. The new building, when completed, is expected to rank with the best in America. Doyle & Patterson are the architects and the Starrett-Thompson Company, of New York, the contractors.

### WILL EXPLORE ANTARCTIC

#### CHARCOT EXPEDITION SAILS TO FIND NEW CONTINENT.

#### Amid Pleadings Frenchmen Start on Quest—Will Traverse Ice With Autos.

HAVRE, Aug. 15.—Acclaimed by a great crowd, including representatives of the government, the steamer Pourquoi Pas left here yesterday on a voyage of discovery to the South Pole. The expedition is a private one, and is headed by Dr. Jean Charcot, who led a similar voyage in 1906. In addition to a number of young scientists, there is a crew of 28 on board. After reaching Alexander Land, M. Charcot plans to continue his cruise in a southwesterly direction to explore

### WOMAN MUST LEAVE CITY

#### Mrs. Cruzane Is Found Guilty of Disorderly Conduct.

The trial of Mrs. Allie Cruzane, mother of Guy Cruzane, now facing a statutory charge, who was arrested on complaint of residents of Kern Park for disorderly conduct, took place before Justice of the Peace Olson yesterday afternoon. The testimony in the case was sufficient to prove the guilt of the prisoner, but the court decided to withhold sentence providing the woman left the city immediately, which she promised to do.

#### Evidences of Oppression.

The evidence of depression in Japan is overwhelming. The British Consul at Kobe recently reported to the British Foreign Office that during the middle of last year to December there was not a merchant or broker at that port who could record anything but utter stagnation or loss. The strategy scheme devised by the Japan Cotton Spinners' Association, with the object of inducing Chinese consumers to purchase Japanese yarn instead of Indian yarn, afforded an eloquent proof of the condition of the cotton trade. The idea of placing tickets in bales of yarn entitling the finders to prizes was ingenious enough, but the originators of the scheme were hardly prepared for the chorus of condemnation with which their project was received at Shanghai and Hongkong.

#### Foreign War Impossible.

From the point of view of the holders of Japanese bonds the prosperity of the country is a matter of great importance. At the end of last year the foreign debt amounted to \$590,000,000, and the ability to meet the interest on this huge amount is closely bound up with the welfare of Japan's manufacturing industries. This is one cogent reason why the developments of the fiscal policy of Japan should be followed with keen interest throughout the world. Any idea of war with a foreign power, and particularly with a power having the wealth and resources of the United States, is unthinkable. The new Cabinet certainly has a task before it which will tax the ability and ingenuity of the greatest minds in the empire.

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### SUDDEN DEATH OF CHEF

#### Charles Michel Belonged to Well-Known New York Family.

Charles Michel, 46 years of age, a French chef, who has been employed at several well-known restaurants in this city, the last being the Hofbrau, at Sixth and Alder streets, died yesterday afternoon at his lodgings, 375 North Sixteenth street, from heart failure. Michel had been in apparent good health. He was of enormous size, weighing more than 300 pounds, and it is believed that his obesity contributed to the conditions culminating in his death. He was stricken suddenly in his room.

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