

cannot be done without funds. Consequently, they increase their capital continuously, and in addition, they issue loans in the domestic money market. The capacity of the domestic money market, however, is limited, and therefore, these electric companies find it inconvenient to be dependant upon the domestic market only, hence the flotation of loans abroad.

The Toho Electric Power Company and some others recently issued debentures in the American and British bond markets, and the attempt proved a success. The indications are that there are some more electric companies which are planning to issue loans in the American market.

In October, 1927, Mr. Thomas Lamont of the J. P. Morgan Company visited Japan. His visit was welcomed by all the electrical magnates in this country.

Mr. Matsunaga, president of the Toho Electric Power Company, handed to Mr. Lamont a statement concerning the future possibilities of the electrical enterprises in Japan, and this fact attracted much attention among others in Japan interested in electrical undertakings.

Foreign borrowings of the electric power industry were limited in 1927 to the issue of the Shinetsu Electric Power Company, a subsidiary of the Tokyo Electric Light Company, which was floated in New York by a syndicate headed by Dillon, Read & Company.

The year, however, saw developments in the financial affairs of other companies, and negotiations were closed for an issue of the Nippon Electric Power Company, which appeared early early this year. Moreover, it is almost certain that Tokyo Electric Light will float a large issue before the year ends, for it has two issues maturing during the year, its \$24,000,000 three-year 6 per cent gold notes, dated August 1, 1925, and a ¥5,000,000 issue which it assumed for the Keihin Electric Power Company. Moreover, it has bank loans in excess of ¥80,000,000 which it is anxious to convert into debentures and, if means can

be found to do this, would be pleased to conduct the financing abroad.

Foreign borrowings of the Japanese electric power industry have been as follows:

Issue date	Company	Coupon	Issue Price	Amount
July, 1923	Tokyo Light*	..... 6	¥87	¥3,000,000
August, 1924	Daido Power	..... 7	\$91 1/3	\$15,000,000
March, 1925	Tokyo Light*	..... 6	\$ 2	¥600,000
March, 1925	Ujigawa Power	..... 7	\$91	\$4,000,000
March, 1925	Toho Power	..... 7	\$90 1/2	\$15,000,000
June, 1925	Toho Power	..... 5	¥17	¥300,000
July, 19 5	Daido Power	..... 6 1/2	¥36	¥13,500,000
August, 1925	Tokyo Light*	..... 6	¥98 1/3	¥24,000,000
July, 1926	Toho Power*	..... 6	¥98 1/2	¥10,000,000
December, 1923	Keihan Electric Tram*	5	—	¥150,000
December, 1927	Shinetsu Power	..... 6 1/2	¥93 1/4	¥7,650,000
January, 1928	Nippon Power	..... 6 1/2	¥91	¥9,000,000

* The issues marked by asterisk are debentures. The others are first mortgage bonds. The Toho Power sterling issued and the Keihan Tram issue were made under the British Trade Facilities Act and are considered "Private loans."

At the end of 1927 the total of foreign issues floated by the industry was \$118,833,000 with the pound converted at \$4.86, or ¥253,114,200, with the yen converted at \$17. with the new Nippon Power issue included, the totals were \$127,833,000 and ¥272,224,290.

Foreign loans to Japanese power companies outstanding at present are as follow:

(000s omitted)			
	Issued	Redeemed	Outstanding
Tokyo Light Sterling 6s	¥3,000	None	¥3,000
Tokyo Light 3-year 6s	24,000	None	24,000
Daido Power Mortgage 7s	15,000	1,750	13,250
Daido Power Mortgage 6 1/2s	13,500	¥750	12,750
Ujigawa Power Mortgage 7s	14,000	480	13,520
Toho Power Mortgage 7s	15,000	750	14,250
Toho Power 3-year 6s	10,000	None	10,000
Toho Power Sterling 5s	300	¥35	265
Keihan Tram Sterlings 5s	150	8	142
Shinetsu Power Mortgage	7,650	None	7,650
Nippon Power Mortgage	9,900	None	9,900

Ships and Shipbuilding

Gigantic Building Plan Advanced

The shipping on European style in this country began when the Government, awakened to the need of such ships by the visit of the American fleet at Uraga in 1853, lifted the ban on building large-size vessels, and build for itself at Uraga.

In 1896 the Government prohibited the building of Japanese style ships of more than 500 koku, and encouraged the building of those of better grade. But private shipbuilding concerns failed to appear as the Government might have expected; but some Americans and Germans built shipbuilding yards at Osaka. This contributed much toward promoting the shipbuilding enterprise in this country.

As the maritime enterprise developed later, shipbuilding also began to develop. In 1884 the Government leased the Nagasaki shipbuilding yards to the Mitsubishi and in 1886 the Kobe shipbuilding yards also to the Mitsubishi, and eventually sold them to the firm. But orders for large-size steel vessels or other ships of better class were placed with foreign ship builders.

When the Russo-Japanese War broke out, the majority of largesize ships were commandeered for war service, and a large number of foreign ships were bought. All shipyards were then busily engaged in repairing these

newly bought foreign vessels, and the number of ships built during the war decreased below that built in pre-war time, 1903.

However, the sudden increase in demand for ships by the war encouraged all shipyards to extend the scale of their plants and the total of new bottoms built in 1907, at the time of the post-war financial boom, reached the unprecedented figures of 72,700 tons.

On account of the reaction in maritime circles later, the total tonnage of new ships showed a sudden decline, amounting to only 28,000 tons in 1910.

Contrary to this, the total tonnage of sailing vessels that was 11,000 tons in 1910, rose to 33,000 tons in 1913, just preceding the great war, claiming nearly an equal basis with the steamships.

The outbreak of the great war caused the price of ships to rise sky-high, and also caused a record-breaking activity in shipbuilding circles. Prior to the great war there were only six shipyards with 17 ships that were able to build ships of more than 1,000 tons; in 1918 the year the armistic was declared, the number increased to 57 shipyards with 157 ships, and the total tonnage of ships built correspondingly increased, bringing in an enormous profit.