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Economic and Trade Conditions:-

With all of the representations that have gone forth from China from foreign Chambers of Commerce and other bodies, denouncing the conditions in China, and calling for action on the part of foreign governments, by way of armed intervention and the policing of railways, there is great danger that people abroad will secure a very exaggerated idea of the extent of the disorder in China and its effect upon the trade of the country.

Of the twelve thousand Americans in China, very few feel any necessity of quitting their occupations or leaving their particular place of residence on account of the disturbed conditions of the country. While the Peking Government is without a president or a premier, the present Cabinet is in a very shaky condition, and Parliament is unable to command a quorum for the election of a president or the promulgation of the constitution, yet the machinery of government has not entirely closed down, as some might be inclined to believe from the reports which have gone forth. The Ministry of Communications in order to forestall any possibility of foreign intervention, has arranged to utilize the services of the foreign advisor to the Peking Metropolitan Police in training a corps of police guards for the railways. Trains will probably carry each an armored car with a number of police with the hope of preventing the re-occurrence of such an affair as the Lincheng bandit outrage. Trade in the interior is probably suffering as much from illegal internal taxation exactions, incident upon the failure of the Central Government to function effectively, as from disturbances and disorders.

The anti-Japanese boycott is very seriously affecting Japanese trade. The Japanese commercial bodies in Japan, and elsewhere are awakened to the seriousness of the situation, and are making strong representations to their Government to take such action as will remedy affairs.

The most disconcerting phase of the present state of affairs in China is that it is impossible to prophesy what is likely to develop during the next few months. On one hand there are indications of a union of the interests of certain of the prominent contending political factions, with the possibility of a coalition government, which might result in a vastly improved political situation. On the other hand there is evidence of further disruption among the leaders of present day politics in China. Again, the interest being manifested by bankers and merchants, and by certain of the Chinese public organizations, may have considerable effect upon the situation in making for improvement. However, it is too early at this time to make any prophesies, but in spite of the disturbed conditions of the country business seems to go on in a larger way than people abroad probably imagine.