

IMPROVING AMERICAN TRADE WITH CHINA.

(Supplementary Report to be affixed to original report on same subject, dated February 10, 1917.)

American Mining Machinery for China: China's great wealth in tin, zinc, lead, antimony, coal, iron, copper, quicksilver, etc., which has remained throughout the centuries of Chinese history almost undeveloped, is now to be opened to the world. Development of these mineral resources will offer to American capital, materials and technical skill opportunities almost unparalleled in any other country in the world. The United States prides itself upon its mining developments and particularly upon the machinery and methods given to the world in connection with mining enterprises. We should do everything possible at the inception of Chinese mining development to establish there our standards, machinery and methods, so that when these developments become very extensive, our machinery will occupy a very prominent place in the market.

Our manufacturers of mining machinery would do well now to equip gratuitously two or three leading Chinese universities which make mining engineering prominent in their curricula. We have an opportunity now to supply the Chinese Government University at Peking with mining machinery for its mining engineering college. The British manufacturers of power machinery have sensed the opportunity which a university of this sort accords in bringing to the front British power machinery in China, so they have at an expense of twenty thousand pounds sterling equipped the Peking University with modern British power machinery under a stipulation which permits of the retention of a British engineer

in connection with the use of this machinery in classroom work. An invitation is now extended to American manufacturers of mining machinery to equip this institution with the necessary machinery for the mining college and we should accept this invitation without delay. We would do well, also, to investigate the opportunity of furnishing an institution of this sort with machine tools and other lines of American machinery.

Moving Picture Films to aid American Trade: It is suggested that American manufacturers furnish the Commercial Attache to China with moving picture films which can be used in talks before Chinese Commercial organisations and educational institutions in popularizing American manufactured products, American methods and American ideas, with the Chinese people. The Y.M.C.A. lecture bureau in China will be able to be of much assistance in connection with the use of these films. The Commercial Attache will also be able to find other opportunities for the use of such material in China. In this connection, lantern slides can also be well used. Chinese are very fond of picture shows of all sorts and the field is a fertile one for work in this direction.

All the material of this character furnished by American manufacturers for use in China should carry with it descriptive matter in simple language, designed to convey to the Chinese mind a clear idea of the materials illustrated. If possible, the descriptive matter should be in Chinese. Chinese descriptive matter can be secured in this country, as there are concerns in San Francisco and other cities where the Chinese populations are considerable, which can furnish the desired translations. The Bureau of Foreign and Domestic Commerce at Washington

CHINA - Reports

will undoubtedly be able to make some valuable suggestions in this connection.

American Newspaper for China: There is published in the treaty ports of China a number of newspapers which includes British, German, French and Japanese. Through this medium, people of these countries are enabled to influence greatly the public opinion of the Orient. British papers printed in China and circulated throughout that country help very substantially toward bringing the Chinese public into touch with British ideas, British developments and British materials. The opinions which these papers have to express in regard to things Chinese and Chinese politics is also a consideration of much importance. Much of the news that is printed in these papers is translated in the Chinese native press. These papers also carry considerable advertising for the interests of their respective nationals, which assists materially in furthering the trade of these countries. While we have in Shanghai, one American daily newspaper, yet it has not the support necessary to place it in an independent position. American manufacturers and other American interests should support an American newspaper in China in a way which would make it possible for this paper to be independent of all other interests, pursuing a policy dictated solely by American interests in that section of the world. Naturally, an American paper published for circulation in China would give prominence to American news and to other features of American life, which would assist materially in making for more American activity in that country.

An American trade journal published in Chinese, possibly under the auspices of the American Chamber of Commerce at Shanghai, for circulation in China, would do much to assist American trade interests there. Some of our manufacturers associations in the United States and probably some of our commercial organizations might do well to interest themselves in such a publication. From an advertising point of view, it could do a very big work for American trade in China. The British Chamber of Commerce in Shanghai published in Chinese a trade journal for circulation in China and seems to be well satisfied with the results accomplished thereby.

We might also advantageously encourage the issuance of China supplements in connection with our newspapers in America. This would be mutually helpful to the trade relations of both China and the United States. There are always people in China who are willing to contribute articles for such a publication.

American Incorporation for American Firms in China: In connection with our extraterritoriality relations with China, the subject of American incorporation for American firms in China is one of considerable importance. Prior to the outbreak of the European war, a number of American firms organized exclusively for business in China incorporated under the Hong Kong Ordinances, thus placing themselves under British law and British jurisdiction so far as their activities in China were concerned. These ordinances were very liberal in their general character, so that American or foreign firms suffered no particular disadvantages in being organized under them. It is true, however, that American

prestige in China and American interests in general suffered on account of the fact that these American corporations functioned in China under the British flag, thus losing their American identity to a considerable degree at least. After the outbreak of the war, the British Government saw fit to amend the Hong Kong ordinances in a manner so that all companies organized under them would have to show a majority of Britishers on their boards of directors and in certain other ways take on more definite British character. This has militated against American interests incorporated under the Hong Kong ordinances.

Some provision should now be made whereby it would be possible for American firms organized for business in China to secure incorporation with the United States court in China under American extraterritoriality jurisdiction in that country. American prestige and American interests in China would be greatly benefited by a provision of this sort. Furthermore, American courts in China would be able to exercise a more effective supervision over American firms incorporated under its jurisdiction, while at the same time, better protection could be accorded these firms.

Thus, in addition to the fourteen suggestions as set forth in the report entitled, "Improving American Trade in China", it is now suggested:

- 15th. That American manufacturers of mining machinery, and possibly of other lines of machinery, equip gratuitously one or more Chinese engineering colleges with their machinery.

16th. That American manufacturers furnish films and lantern slides for use in China in popularizing American manufactured articles and American methods.

17th. That American manufacturing and commercial interests support an American newspaper in China and that an American trade journal be published in Chinese for circulation in that country.

18th. That provision be made whereby American firms organized to do business in China may be incorporated under the American extraterritoriality jurisdiction in China.

San Francisco, February 13, 1917.

Julian Amovel
Commercial Attache to China.