

Activities Diary

A. B. C. - Diary

Activities for week ending December 18, 1926. (2 weeks)

Arrived Monday December 6. Made numerous calls with Mr. Howard on local contacts, spent some time familiarizing himself with current matters, disbursed December 15 salaries for the Tokyo office, and in conjunction with Mr. Howard prepared some of the commodity information for December monthly cable and monthly report. Attended luncheon with Mr. Howard and Dr. Roorbach, as guests for Mr. V. Meyer, President and General Manager of Andersen, Meyer & Co., Ltd., where met additional contacts.

A. B. C. - Diary for week ended January 6, 1927.

Prepared basic information on the production and trade in sugar
Activities for week ended January 1, 1927. (2 weeks) P. S. Gilson,
Secretary Department Manager, American Trading Company, Tokyo.

Made outside calls for information on automotive buss market,
to answer trade inquiries on the subject.

Had several discussions with Dr. Noelting, representative
of E. I. du Pont de Nemours & Co. in regard to China Maritime
Customs classification of indigo. Called on Customs authorities
in connection therewith, and prepared memorandum to be used in
endeavoring to induce the Customs authorities to improve their
method of compiling Indigo trade statistics to make same of
reasonable accuracy and value.

Spent some time in handling Tokyo office accounts.

Made several additional calls on business people and spent
some time familiarizing myself further with Shanghai office
routine and China conditions.

Activities for week ended January 8, 1927.

Prepared basic information on the production and trade in sugar in China, at the request of the Tokyo office, for Mr. P. S. Gilman, Machinery Department Manager, American Trading Company, Tokyo.

Answered several trade inquiries, making calls on local firms in connection therewith.

Studied various commodity subjects preparatory to work on next monthly cable and China Trade Report and called at Shanghai International Silk Testing House, meeting Mr. Huber and Mr. Schwartz whom I interviewed on silk trade, sericulture, etc.

In connection with business call on Mr. D. B. Sparks, Manufacturers' representative, secured a trade opportunity for ice boxes which was duly submitted to Bureau. Was further occupied with Tokyo office accounts, several vouchers in connection with which were submitted either in an incompleteness or improperly prepared, thus further delaying Tokyo November accounts and making it necessary to recast same at considerable cost of time and effort. The overhang of Tokyo office accounting with which I was unwillingly saddled has been no little handicap in getting an unhampered start in the work here.

Mr. H. P. Wong of Gen Yee & Company, called to secure information concerning plate glass and, especially, patented unbreakable plate glass, which he desires to use in the museum now under construction at Hanking as a memorial to Dr. Sun Yat-sen. I placed him in touch with the Lala Glass Company, Shanghai, and am securing some further data for him on this subject.

Mr. E. G. Rugg, special correspondent for several middle-west newspapers including "The Milwaukee Journal", "The Agriculture", "The Herald", "The Board's Dairyman", "Wisconsin", and "The Planter", New Orleans, called to secure information on sugar production, consumption and marketing in this country. He was given access to our files of basic information on this subject. Mr. Rugg states that he was also asked by the Four Wheel Drive Auto Company, of Oshkosh, Wisconsin, to look into the market possibilities for their truck in China, and to recommend a suitable distributor. Mr. Rugg has discussed the subject with the Jardine Engineering Corporation, and appears favorable disposed toward recommending this company for the agency as Jardine exhibits an interest in the line and it seems well already to be in the matter under consideration.

Activities for week ended January 22, 1927 (2 Weeks)

My principal time in the past two weeks has been expended in preparing commodity information for the monthly cable and Monthly China Trade Report. I made numerous calls on local contacts for this information.

Mr. P. S. Gilman, formerly Machinery Department Manager of the American Trading Company, Tokyo, called to secure information on the possibilities for the sale of American refined sugar in China. Information which I prepared and sent to Tokyo did not reach Mr. Gilman prior to his departure from Tokyo. Mr. Gilman is en route to the United States and has asked me further to assist Mr. J. W. Smith, manager of the American Trading Company, Shanghai, on this investigation.

Mr. William Scott, representing the Film Booking Offices Pictures, 156 O Broadway, New York, called to state that his company, which he represents in Australia, is interested in securing distributors for its motion picture productions in China. He is proceeding to Japan and will return in a few weeks to China. Mr. Scott was placed in touch with Mr. J. Rosenfeld of A. B. Rosenfeld and Son, Shanghai, as Mr. Rosenfeld, together with Mr. Chas. Komaroff, had previously discussed with Mr. Howard the subject of securing some such representation.

Mr. T. P. Wong of Gen Yue & Company, called to secure information concerning plate glass and, especially, patented unbreakable plate glass, which he desires to use in the mausoleum now under construction at Nanking as a memorial to Dr. Sun Yat-sen. I placed him in touch with the Asia Glass Company, Shanghai, and am securing some further data for him on this subject.

Mr. S. G. Ruegg, special correspondent for several middle west newspapers including "The Milwaukee Journal"; "The Agriculture", Wisconsin; "The Heard's Dairyman", Wisconsin; and "The Planter", New Orleans, called to secure information on sugar production consumption and marketing in this country. He was given access to our files of basic information on this subject. Mr. Ruegg states that he was also asked by the Four Wheel Drive Auto Company, of Clintonville, Wisconsin, to look into the market possibilities for their truck in China, and to recommend a suitable distributor. Mr. Ruegg has discussed the subject with the Jardine Engineering Corporation, and appears favorable disposed toward recommending this company for the agency as Jardine exhibits an interest in the line and it seems has already had the matter under consideration.

An interesting development during my outside investigations in the past week was a conversation with Mr. T. K. Yung, general

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manager of the Mow Sing and Foh Sing Flour Mills. Mr. Yung is an exceedingly wealthy Chinese industrialist, whose companies operate flour mills in Shanghai, Wusih, Hankow and Tsinan, aggregating 70,000 bags daily capacity, his mills in Shanghai alone at present having a daily capacity of about 40,000 bags. Mr. Yung, it appears has purchased nearly every kind of American flour milling machinery which is on the market. During a recent trip to Japan, he was much impressed with British flour milling machinery in that country, and he informed me that within the past two months he has purchased British equipment manufactured by Henry Simons, a British manufacturer, through Moysey & Co., a local British concern, of 6000 bags daily capacity to replace a mill at Wusih which has destroyed by fire several months ago. Mr. Yung told me that there has been no improvement in American flour milling machinery in the past ten years, and that to secure up to date equipment it is necessary for him to buy British or German machinery.

He also showed me plans and estimates submitted by a German consulting engineer for a 15,000 bag (3750 barrel) mill which his company has in project to be established at Woosung. (Woosung is at the mouth of the Whangpoo River, 15 Miles below Shanghai). This installation will also comprise a modern wheat elevator storage system.

On inquiring from the American Trading Company, which has the agency for Allis-Chalmers flour milling machinery, and of Andersen, Meyer & Company, Ltd., which has the agency for the Wolf Company, Chambersburg, Pennsylvania, I found that neither company had been invited to bid on this mill. Mr. Meyer, president and general manager of Andersen, Meyer & Company, Ltd., told me that he thought Mr. Yung's statement in regard to the up-to-dateness of American flour milling machinery might be taken with a grain of salt as Mr. Yung is the type of person who tries out every kind of equipment in the market. It appears that he has done so not only in his flour mills but also in the cotton mills which he controls.

In going about in the community it is impossible to meet people without being obliged to listen to the opinions of each individual on the present situation in China, and it is confusing to note the divergence of opinion among Americans and others. There are those who would have all foreigners unite in an aggressive effort to keep the treaty rights intact. There are those who would turn everything over to the Nationalist Government including the International Settlement of Shanghai. These views represent the two extremes and there is plenty of midway opinion being voiced. One member of a large local British company informed me that every man in his company is pledged to join some military organization to protect British interests, and that Britishers who have been in

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this country for many years and have put their lives and fortunes into constructive enterprise here, intend to fight to hold their property and interests.

(CONFIDENTIAL) Mr. V. Meyer, President and General Manager of Andersen, Meyer & Co., Ltd., informed me that he is leaving for the United States to secure from American manufacturers whom his company represents here in China an expression as to whether they wish him to continue representation or to close up the organization. He states that his personnel both in Shan hai and outport offices has been reduced to the absolute minimum for carrying on business, and that if American manufacturers do not see fit to support the organization over the next year or so, which he anticipates will be an exceedingly poor business period, he will probably have to close down until conditions improve sufficiently so that the volume of business will support the overhead.

without fighting, and he stated at that time that if their interests were threatened locally they would fight whether their own government protected them or not.

I called on Mr. French, Vice President and now in charge of Andersen, Meyer and Company, Ltd. He desires us to continue giving him antimony information as we did for Mr. Meyer for about another month when their stock of antimony will be cleared up.

Activities for week ended February 19, 1927 (4 weeks)

He intimated that before long, unless there was a material improvement in the attitude toward the British in certain Chinese quarters, real trouble would start and Great Britain would see it through definitely. He intimated that precipitate action cannot be taken as the British public must be gradually brought to a realization of the situation in China, and until this is accomplished the Government cannot take the steps which he thinks will be taken in due course unless the Chinese cease baiting the British and adopt a reasonable attitude which will insure full protection and safe status of British business in China.

This same gentleman one month ago told me that every male member of his own organization had pledged to join some local military organization, and that they proposed to fight to protect their interests in China which represent the life work of many Britishers here and which they do not propose to pass up without fighting, and he stated at that time that if their interests were threatened locally they would fight whether their own government protected them or not.

I called on Mr. French, Vice President and now in charge of Andersen, Meyer and Company, Ltd. He desires us to continue giving him antimony information as we did for Mr. Meyer for about another month when their stock of antimony will be cleared up.

I have spent some time in the past two weeks in reporting on and carefully following up the egg market situation in response to a special inquiry from the San Francisco office.

I called with Mr. Arnold on Mr. de Luca of the Statistical Department of the Shanghai Maritime Customs, and also upon the British and French commercial attaches with Mr. Arnold, their offices being in Shanghai.

I have made numerous calls this week on local business people for information for the February monthly cable, and have spent some time on commodity information both for the cable and our June Monthly Trade Report.

In discussing the present China situation with a prominent local business man this week, he pointed out to me what he regards as some very significant features of the recent developments. He stated that the British Government is not sending officers of the general staff of the army to China, nor hospital ships, nor troops of which there will be about twenty thousand in China before long, which they expect to see the thing through and to re-establish British prestige and security for British business in China.

Activities for week ended February 19, 1927 (4 weeks)

Company at the present time, and has investigated pretty thoroughly market conditions in Japan, Formosa, Korea, Manchuria and North and South China, and will leave shortly to proceed to the United States to outline to Mr. Henry Ford a definite sales policy for China. Ford is planning to establish an assembly plant at Shanghai, and Mr. Lowry is now looking for suitable property for this installation. He is also extremely interested in the development of automobile highways in China and states that he will endeavor to interest Mr. Ford in building a modern highway at some appropriate place in China, providing conditions are suitable for such work. He discussed this and other features, including the use of Ford commercial airplanes, at some length with Mr. Arnold and myself.

My time has been taken up also in administrative work of the office. Mr. Francis Misselwitz, representing the United Press, called for information on trade conditions in this country. Mr. Misselwitz has been in Japan for the past two and a half years on the "Japan Advertiser" and is now representing the United Press at Shanghai both for the sale of United Press services from America and as reporting representatives on China to the United Press in the United States. Mr. Misselwitz was given a considerable amount of basic information including Mr. Arnold's latest compilation of "Salient Facts", and discussed conditions generally with Mr. Arnold and myself.

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Activities for week ended February 19, 1927 (4 weeks)

I have not made a report of my personal activities for four weeks as I was under a misapprehension as to the manner in which this report was to be submitted.

I have continued to develop contacts for commodity information and to study commodity subjects, but I have been much handicapped with the hangover of the Tokyo office accounting which I have had to handle as a result of my having to leave cash for the Tokyo office to work with at the time I left in November. This cash has not yet been accounted for in full, which will necessitate my having to submit February accounts as well for Tokyo.

My time has been taken up also in administrative work of the office, such as interviewing and engaging new employees in conjunction with Mr. Arnold for the positions vacated by Miss Powell and Miss Graham. Miss Powell's resignation and the necessity of training a new employee to take her place to handle the work of accounting naturally places an extra burden upon me, as it will be fully three months before Miss McKeen can be expected to function effectively in the disbursing work of the Shanghai and Peking offices, which disbursing is now being done in my name, but with Miss McKeen doing the work under my guidance.

Visitors of interest during the week ending February 12th were as follows:

Mr. George C. Cree, consulting and sales engineer from the Central Station Department of the General Electric Company of Schenectady, New York, passed through Shanghai en route via Europe to the United States from Japan. Mr. Cree has been in Japan for the past year and a half on special sales engineering work for his company. He was very much interested in the China situation which he discussed with both Mr. Arnold and myself at some length, and he was given much general information.

Mr. Sam Weiss, Far Eastern sales representative for the Bucyrus Steam Shovel Company of Milwaukee, Wisconsin, spent two or three days in Shanghai en route from southern Asiatic ports to his headquarters in Japan. He spent some time with Mr. Arnold discussing trade conditions in the Far East generally and is arranging to turn over to us some motion picture films showing the use of up-to-date excavating machinery as manufactured by his company.

Mr. Thomas Lowry, of the Ford Motor Company, whom I knew in Japan, called to discuss the automobile market prospects in China. Mr. Lowry is the Far Eastern sales manager for the Ford Motor

Activities for week ended February 26, 1927

I prepared additional commodity information for the monthly China Trade Report.

I put in some time also with Miss Varley working out a plan for the future handling of trade inquiries and of our circular trade opportunity letter, and answered a fairly large number of trade inquiries from the United States, and local requests for information.

I began the study and investigation of the market for Watches and Clocks in China, to secure material for reply to Bureau questionnaire on this subject.

I discussed the subject with Mr. Koelting, Director of Dyestuffs Sales for China for the DuPont interests, and he expressed his willingness to give Mr. Yuen's company an opportunity to bid on their local requirements, instructing his assistant to give Mr. Yuen the necessary specifications on which to figure.

I spent some time with Mr. H. G. Lind, a New York importer of egg and other products, giving him the information I had on the egg products market and giving him lists of dealers in various commodities.

I entertained Mr. Maurice Landers at luncheon in connection with Antimony investigation for reply to Bureau called inquiry. Mr. Landers has been in Shanghai engaged in the export of metals and ores for about a year, but is now unable to operate because of disturbed conditions in that part of China.

Discussed with Mr. Smith, Manager of American Trading Co., Shanghai, the matter of representing G. B. McClintock Co., of Minneapolis, Minn., for the sale of Hunz Vault protection and ventilation system in China, in response to inquiry from that company for assistance in establishing China connections. This line fits in admirably with the York Safe & Lock Company's line for which the American Trading Company is agent. Mr. Smith, after giving the subject consideration, is recommending to his New York office that arrangements be made with the G. B. McClintock Co. for the handling of this line in China.

I spent some further time with Miss Powell on accounting matters and with Miss McKee, and also with Mr. Arnold in connection with budget expenses. Other administrative matters, including question of leave of absence of local employees were given attention.

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Mr. J. D. Bush, an American importer of tin plate, with offices in Shanghai, introduced to me Mr. John W. Yuen, Assistant Manager of the Industrial & Trading Company, Ltd., a local Chinese company operating a tin can factory in which American machinery and American tin plate is used. Mr. Bush requested me to introduce Mr. Yuen in turn to the E. I. DuPont de Nemours Co., Shanghai office, in order that Mr. Yuen might have an opportunity to bid on DuPont's local requirements for tin cans. The DuPont people do a considerable amount of repacking of bulk dyes locally and put them out in tins of many sizes. As this seemed an entirely reasonable request and one which would promote the use of American commodities I discussed the subject with Dr. Noelting, Director of Dyestuffs Sales for China for the DuPont interests, and he expressed his willingness to give Mr. Yuen's company an opportunity to bid on their local requirements, instructing his assistant to give Mr. Yuen the necessary specifications on which to figure.

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I entertained Mr. Maurice Landers at luncheon in connection with Antimony investigation for reply to Bureau cabled inquiry. Mr. Landers has been in Changsha engaged in the export of metals and ores for about a year, but is now unable to operate because of disturbed conditions in that part of China.

Discussed with Mr. Smith, Manager of American Trading Co., Shanghai, the matter of representing O. B. McClintock Co., of Minneapolis, Minn., for the sale of Bank Vault protection and ventilation system in China, in response to inquiry from that company for assistance in establishing China connections. This line fits in admirably with the York Safe & Lock Company's line for which the American Trading Company is agent. Mr. Smith, after giving the subject consideration, is recommending to his New York office that arrangements be made with the O. B. McClintock Co. for the handling of this line in China.

I spent some further time with Miss Powell on accounting matters and with Miss McKeen, and also with Mr. Arnold in connection with budget surpluses. Other administrative matters, including question of leave of absence of local employees were given attention.

Activities for week ended March 5, 1927 (2 weeks)

Continued watch and clock investigation; handled antimony and clock market, for reply to questionnaire, and had interview situation in response to Bureau cable and prepared monthly antimony cable; assisted in preparation of weekly cable; handled current general correspondence; spent some time with Miss McKee on volume of local correspondence and answered a number of trade contacts for information for the monthly cable, seeing as many inquiries from the United States, besides giving attention in Canton and Hongkong; prepared material for the Monthly China to matters of office administration, as administrative matters; and received several callers requesting minor services.

H. S. Yen Hsueh, representing Republic Motor Trucks, called for information on automotive matters in China generally, and on road construction projects in Taiwan.

Activities for week ended March 19, 1927 (2 weeks)

Made several calls with Mr. Chuh for information on the Watch and Clock market, for reply to questionnaire, and had interviews with two or three of the largest Chinese importers and dealers. Spent some time with Mr. Smith, of American Trading Company, working up sugar statistics desired by him. Handled a volume of general correspondence; spent some time with Miss McKeen on accounting matters; made possibly thirty calls on local contacts for information for the monthly cable, seeing as many people as possible who could give information on conditions in Canton and Hongkong; prepared material for the Monthly China Trade Report; gave attention to office administrative matters; and received several callers requesting minor services.

H. D. Van Brunt, representing Republic Motor Trucks, called for information on automotive matters in China generally, and on road construction projects in Taiwan.

A. B. C. - Diary

Activities for week ended March 26, 1927.

Prepared monthly Antimony cable and further commodity material for Monthly China Trade Report; completed Special Report on Market for Watches and Clocks; spent some further time with Miss McKeen on accounting matters; and handled current local correspondence and office administrative matters.

savings effected this year, I made estimates, assembled the material for and prepared the Cable giving the China Automotive census figures as of January 1, 1927, making such local calls as necessary to secure the Shanghai figures. I also did some preliminary work on the quarterly automotive survey. Some time was also spent on the local postal congestion situation, which I am reporting separately.

Activities for week ended April 2, 1927

On Sunday, March 27th, I assisted in evacuating a number of medical and hospital missionary friends from West Gate Section of Chinese City to safe places within the International Settlement, and later in the day helped transport Nanking refugees and effects from dock to American Women's Club.

Besides assisting Mr. Arnold in the preparation of the Weekly Cable to Bureau on the local situation by making several outside calls for information, and spending some time both with Miss McKeen and Mr. Arnold on the subject of budget expenditures and savings effected this year, I made estimates, assembled the material for and prepared the Cable giving the China Automotive census figures as of January 1, 1927, making such local calls as necessary to secure the Shanghai figures. I also did some preliminary work on the quarterly automotive survey. Some time was also spent on the local postal congestion situation, which I am reporting separately.

Activities for week ended April 9, 1927

Made numerous calls for information on Automotive Sales situation and prepared cabled and written Quarterly Automotive Survey. Also prepared written report and chart of China Automotive Census as of Jan. 1, 1927. Also handled miscellaneous correspondence and spent additional time on accounting matters with Miss McKeen and prepared the weekly report of outstanding events, prepared copy material for the Monthly Reports on "China Trade", spent some time with Miss McKeen on accounting matters and engaged in the usual administration of the office, current correspondence, etc.

Mr. E. J. Foser, representative of the Northern Pacific Railway for the Far East, called to inform me that his office as well as that of the Chicago-Milwaukee-St. Paul Railway, and the Great Northern Railway, all of which offices are located in the same building with the Bureau's Shanghai office, will close June 1st. Mr. Foser states that these railways feel that homeward bound passenger traffic after June 1st will be too small to warrant keeping the offices open and that such freight as is moving will take care of itself. Homeward bound passenger traffic is very heavy at the present time, as missionaries and other refugees from the Yangtze Valley and other parts of China, and many wives and families of business men are leaving because of the unsettled conditions in this country.

Activities for week ended April 16, 1927

In Mr. Arnold's absence at Hongkong the entire responsibility of preparing the Monthly Cable devolved upon me and I spent most of my time--night and day--following the situation closely as the whole aspect of the Chinese war and political stage underwent vital changes during the week. I interviewed about forty people for angles on the political situation and for commodity information, and was assisted by Mr. Chuh in calls on several prominent Chinese bankers. I prepared a 500-word digest of the situation and despatched same as the Monthly Cable on Thursday, April 14th. In addition to the above, I prepared the weekly report of outstanding events, prepared commodity material for the Monthly Report on "China Trade", spent some time with Miss McKeen on accounting matters and engaged in the usual administration of the office, current correspondence, etc.

Mr. R. J. Tozer, representative of the Northern Pacific Railway for the Far East, called to inform me that his office as well as that of the Chicago-Milwaukee-St. Paul Railway, and the Great Northern Railway, all of which offices are located in the same building with the Bureau's Shanghai office, will close June 1st. Mr. Tozer states that these railways feel that homeward bound passenger traffic after June 1st will be too small to warrant keeping the offices open and that such freight as is moving will take care of itself. Homeward bound passenger traffic is very heavy at the present time, as missionaries and other refugees from the Yangtze Valley and other parts of China, and many wives and families of business men are leaving because of the unsettled conditions in this country.

ABCBC Diary - May 19 (cont)

Called on Mr. French and had a long discussion with him lasting an hour and a half. He read everything in the report and made statements as above quoted. He said he would like to show it to Frederick Moore, when I told him that Mr. Moore is coming into my office in the morning to read it.

I asked him several questions in regard to the operations of Andersen, Meyer & Co., and learned that its executives in the Shanghai office can make all decisions except on broad matters of policy such as taking up some entirely new or different line of business, or again going into the export business which they dropped some time ago because they lost so much money in it. A Board of Directors in New York must decide such matters.

He told me that normally the company at this time should be doing \$15,000,000. worth of business annually but that it is doing only about one third of that. I asked him whether his firm would hang on indefinitely in China if it could not make a better showing and he said he thought a great many firms would quit eventually if trouble goes on indefinitely, but they all want to hang on to their position here until things break for the better when they can make very good profits, though at no time since their organization has the net earnings of the company been as great a proportion of the invested capital as is the case in similar business in other parts of the world, due to the vagaries of Chinese business methods.

He showed me records of April business and business done so far this year and data regarding business done in recent years from which it is apparent that the organization is able to pay just a small profit each year, though not enough to warrant it staying in business unless there is some promise of ~~an~~ a fairly early period of prosperity during which they can make up for the years when they have done little more than mark time, hold their position in the market, and keep dug in.

He gave me copy of letter to Eugene Chen by Hankow Chamber of Commerce.

Activities for week ended April 23, 1927

My efforts during the week were confined chiefly to preparing a Monthly "China Trade" Report for April, which was completed in four days' time and despatched on S. S. President Taft, sailing April 23d. Thereport was of only twenty-two pages, which is shorter than usual due to lack of material from Consular sources, to the office being short staffed and to the necessity of getting it mailed on the President Taft rather than holding it over until next pouch mail, twelve days later, and thus dropping behind our usual schedule.

He has sent his family home and has closed his Shanghai office and turned over his specialties for American manufacturers to others locally. He will give us a list and names of the people to whom he has turned over (over). He promised to write (to this afternoon and send it to us. He has one or two situations to look into here, will keep his Shanghai office open for the present, but after a trip to Hongkong in the latter part of this month, will go to Japan and Hongkong. He believes he will never return to China again, but plans to dig his way into a permanent situation at home and to remain there, as the difficulties of doing business in China and the eventualities are above and beyond what he wants his remaining in this country. He prefers to start in and build up an enterprise at home which will offer him greater security for the future than anything in China to a young engineer of his capabilities. He is by no means a failure and has a good reputation locally and has probably done as well as could be expected under the circumstances under which he has had to work in this country.

A.B.C.Dairy.

May 17, 1927 - Tuesday. Had luncheon with Mr. George Aveyard at Union Club. Expressed absolute confidence in the idea that British intervention in China would soon be a reality. Was anxious to secure his view as statements he made to me four months ago did not work out in this way, but British government has followed a policy directly opposite. Stated that since America had failed to stick with the powers in the matter of sanctions over the Nanking outrage, British had ceased to expect anything whatever from America by way of support moral or otherwise. He rates Chiang kai Shek at 25% of the present China situation, Chang Tso Lin at 25% and other generals at 5 or 10%. Stated British dependence on foreign trade and necessity of Englishman going abroad to make his living, intimated that G.B. could not possibly afford to be pushed out of China - the movement was more a Russian red wone than a Chinese one, - was easily confident of the future and stated "occupation" might be expected soon. Raid on Soviet Trade Mission in London undoubtedly first step toward definite break with Russian Soviet.

Read Josef W. Hall's "Revolt of Asia" or rather review of same in which he points out that Soviet Russia, unable to secure satisfactory relations with Western Powers or to successfully launch any world revolutionary movements in those countries, has turned for support and alliances with Asiatic States and already has partially Bolshevized China and has relations with Japan, Turkey, is friendly with Persia and Afghanistan, and has already exercised a considerable effect on India, while controlling certain areas of Mongolia, etc. Influence already felt in Java and Sumatra where labor uprisings coached by Russian reds have occurred. So far as the yellow races are concerned it gives them the opportunity to revolt against the white man's assumption of spueriority and presents Western Nations with the greatest crisis with which they have been faced in history.

Evening entertained Frederick Moore and George Sokolsky at dinner, also George Fitch, and Mrs. Fitch, Mrs. Sok, and Willie Golding, Nelle being present of course. Lively discussion of China situation all evening with George Sokolsky as usual the dominant element in the conversation. ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ A discussion of discrimination against Jews in the U.S. and elsewhere in the world materialized and from the conversation I deduced that the Soviet movement is partially semitic, is one of resentment against oppression of the Christian whites.

Further thought on this line would seem to explain the various vicious remarks in Nationalist Chinese organs in regard to the "Christian gun boats" and may be responsible for the many attacks on Christian missionary institutions in China. The expressions may be of course only inderision of ~~XXXXXXXXXX~~ Christian missionaries and may be purely Chinese censure for so-called Christiannations presumably doing unchristian acts.

Moore expressed the view that the Chinese Nationalist movement ~~XXXXXXXXXX~~

A.B C.Dairy - May 17 continued.

is largely American instigated, educated and suggested. "Americans simply didn't count on ^{the Chinese} reaching out and accepting Russian proffered assistance and ideas and mixing them with American idealism. The result is an abortion, or rather a Soviet-American mixture largely participated in by Chinese students returned from America with of course only partially absorbed American ideals of democracy. ~~XXX~~ It is quite like the Chinese to be ready to adopt and mix with them the Soviet principles, and Dr. Sun Yat Sen's Three Principles is a curious mixture of American idealism, Russian Revolutionaryism, and anti-foreign (anti-white) ism." The part in quotes are my own views. Moore's remarks merely set in motion this line of thought which I gather from past conversations with him to be in harmony with his views.

Mrs. Fitch discussed A.V.S.'s handling of the resolution made by the American women's club to send a cable to the Federation of American Women's Clubs deploring the effort to minimize the Nanking outrages and calling on the women's clubs of America to investigate the facts as given in the affidavits of refugees and survivors on file in the Dept. of State. Mrs. Fitch I gathered was strong for the resolution but wanted to denude the message of its adjectives (its teeth). She resented having it "jammed through" without being emasculated. A.V.S. naturally felt it was useless to send it unless its teeth accompanied it. She won. More power to 'er.

Moore leaving next week for Peking, then to Japan then home. Appears to be leaving because of the Nationalist organs' criticism of him, though he has remarked that the Times keeps reporting that it is receiving adverse criticism from its readers who apparently don't want to believe the truth as Mr Moore sees it.

A.B.C.Diary May 18, 1927 - Wednesday.

The most important talk I had during the day was with Mr. Silagi, Truscon. Spent about forty minutes with him. He stated that building activity has been picking up in past few days and would estimate it at about 70% of what should normally be under way here. The confidence of the builders is in the assured continued occupation of foreign troops rather than from any faith whatever in the Nationalist Government of Nanking.

Mr. Silagi also expressed absolute confidence in early British intervention in China. He said they would not bring a large force into the country, but would virtually take over the Yangtze valley by patrolling the river and would dispatch a sufficiently strong force to this or that point as necessary to quell trouble.

He expressed the view that there is not the slightest degree of real patriotism among the Chinese nor in the Nationalist movement and, that it was simply a matter of force or money or both to secure some pro-British sentiment in this country for a change, reminding me of J.O.P. Bland's statement in London that with a million Taels he could start a pro-British movement among Chinese very easily. Maybe it was a million pounds Sterling, I forget.

I forgot to mention that Sokolsky yesterday stated that the British had prevented Chiang Kai Shek from ferrying two armored trains from Nanking to Pukow. These trains were brought down on to the Shanghai Nanking line by Chang Chung Chang (Northern General) and were spoils of war seized by the Nationalists on their occupation of this area. Sok stated the British had no business interfering with Chiang Kai Shek in this way. This would seem to me to be British intervention already, or the beginning of it.

Mr. Silagi said the British were going ahead with building fairly permanent barracks in Shanghai for the housing of troops. A permanent top story is being added to the New World or is it Great World where British troops are quartered, and barracks to last five or six years are being built in various parts of town.

A question I asked Sokolsky last night was whether he thought the pronouncement of C.C. Wu, foreign minister at Nanking, calling upon foreign countries to immediately give up their status of special privileges in China and to make new treaties was simply a means of keeping up the spirits of Chinese adherents, or did the Nationalist mean it. With somewhat of vehemence Sok said they meant it and that they were going to keep on meaning it until the white man descended from his assumption of superiority and was willing to treat Chinese as equals.

Silagi on the other hand believes the Nanking crowd to be just as corrupt as anybody.

A.B.C.Diary. May 18,1927.

Another thing which Sok mentioned was that the Nationalists had gotten over M\$12,000,000. out of Shanghai so far, in actual payments made to Chiang Kai Shek, and he stated that Chiang Kai Shek had gone through with \$12,000,000. in six weeks time. As this is about \$5,000,000. more than I could get in the way of information from three or four bankers visited, I led him out on it and he told me that the Bank of Japan paid to Chiang Kai Shek's Government last Wednesday, one week ago M\$5,300,000. I therefore went to see Mr. K.P.Chen, chairman of the committee for financing the M \$30,000,000. treasury bond issue and could not get in to see him and failed to get any information from his assistant Mr. Yung.

There is apparently a good deal of concern among Chinese circles locally over the levies of or allotments of portions of the bond issue to certain specific organizations and groups. For example the three large department stores, Wing On, Sun Sun, and Sincere are each asked to deliver to the Nanking Government at once \$250,000. ~~XXXX~~ Nan Yan Bros. \$500,000. and so on. From A.V.S. I got wind of a case of where a large lumber dealer was actually kidnapped and presumably tortured right here in Shanghai for failing to come through with the amount levied on him. Part of the persecution of Fu Hsiao An and T.K.Young now going on is believed to have this motive behind it as well. Apparently Mr. Young has not felt free to turn over surplus or other funds belonging to his shareholders to an unproved government which may prove only a passing phase of the situation. Also this heavy levying of money is likely to bankrupt some of the firms on which it is levied. This would seem to be a very ~~XXXXXX~~ effective way of breeding opposition to the Nationalist cause right here in Shanghai, as the Chinese will resent extortion of this kind quite as readily from the Nanking Government as from anybody else. It will be interesting to see to what means the Nationalist Government of Nanking will resort to raise some of these levies. Will they again resort to the "economic weapon" which they have crushed out or how will they do it. Laborers organizations locally do not feel like being used further as a cats paw for any of these movements only to be butchered off just about the time they get down to working effectively.

The Nationalist Govt. of Nanking is reported to have siezed and confiscated T.K.Yung's mills at Wusih. The persecution is said to be because he supported Sun Chuan Fang. It seems to me entirely likely that everybody had to support Sun Chuan Fang, and that the explanation closer to the truth is that probably T.K.Yung is not coming through handsomely enough to suit the Nanking Government.

ABC - Diary.

May 19, 1927 - Thursday.

Had an exceedingly busy day getting together commodity material for the monthly cable. Saw numerous people. Manley told me the Chamber of Commerce had a meeting last night at which Carl Seitz was present at which Seitz mentioned with very favorable comment recent monthly reports of our office, particularly our April report (which I got out under pressure in about 4 days time) and said the Chamber wanted to use this material for publicity in the United States to bring the true state of affairs in this country to the attention of the American public.

Later Frederick Moore came into the office and said he had heard of a very excellent report on the situation in China which I had gotten out and would like to see it. I gave him a copy of our April report and of the supplement in regard to Canton as prepared by Mr. Arnold, discussed several issues with him and offered to show him my confidential report to W. on foreign and American public opinion in China, particularly opinion of American business men. He is coming into my office tomorrow morning to read the report. I cautioned him about republishing any of the material and he agreed not to. As a matter of fact there is no news as such the material being too old, in this material so I have no fear of his cabling it and I believe thoroughly he is a man of his word and would not do so even if the material were timely. I gave him some of the particulars concerning the National Government Financing now going on (Nanking Govt \$M30,000,000. issue) and he may cable that, which is O.K. with me as it is just facts and I have already cabled it to Bureau.

Later in the day I called on French, A.M. & Co., learned that Vilhem Meyer is due back tomorrow morning from trip to U.S. and Europe. I showed my conf. rep. to Mr. French as many of the ideas contained in it I gained in previous conversations with Mr. French. He agreed with everything contained in the report and even said I might have made it much more forcible. I have now showed this report to the following;

Manley, Chamber of Com.
Cheek, Heacock & Cheek.
Chester Weis, U.S.S Prod.
Smith, Amtraco.
A.V.S.
French
Moore, will show tomorrow.
Read portions to Hayes.

I discussed the views there in (though not mentioning the report to) with Waterman, Silagi,

Dr. Noelting read the report through, complimented me on it, and said he would subscribe to concurrence in those views to me in writing if I so desired.

In a discussion of American position here and the very considerable likelihood of early British intervention at least in the Yangtze valley, Chester W. said he was going to get out some ~~XXXXXXXX~~ strong articles or reports direct to Farrell on the situation here. In writing he subscribed to my conf. rep. and said he thought we needed more stuff like that to wake people up back home as they do not understand the situation.

June 12, 1927.

A.B.C. Activities for week ended June 11, 1927.

My time was ~~XXXXXXXXXXXX~~ so taken up with several matters pertaining to accounts, office administration, and assistance to Mr. Arnold in various situations that little was accomplished beyond essential routine work.

I called at the loans service office of the Customs for customs revenues figures covering Shanghai for the first five months of the year and these figures or reference to them was made in the weekly cable to Bureau.

It was necessary for me to devote some time to ~~XXXXXXXXXXXX~~ straightening out the matter of payments to Mr. Evans for packing of household effects, transportation of himself and family to Manila and the United States, and such like details during the week.

I met on two occasions with committees of the American Chamber of Commerce,

the purchase in Shanghai and the Hankow Government is using up most of this monthly supply of Mexican \$2,000,000 so that is very little, if any, left for commercial transactions or for financing imports to Hankow by business houses. Such facilities as the Hankow authorities do grant to local firms are confined to goods regarded as essential to the economic situation there. How money remitted in this way is exchanged by the Hankow Government we hear except that a 2% remittance fee is charged. Thus, it appears that the chief support of the Hankow Government at the present time is this direct supply contribution from Moscow, as the volume of trade has fallen to such a low ebb that the surtax revenues are very much diminished.

Mr. Wright said he had been successful in getting the Minister of Finance at Hankow to grant his company (Anderson, Meyer & Company, Ltd.) facilities for exchanging Mexican \$5,000 per month for imports to Shanghai. He threatened to close the Hankow office of Anderson, Meyer & Company, Ltd. if this facility was not granted. This arrangement, therefore, practically limits the amount of imports and exports that can be done (except for goods to the Hankow Government) to Mexican \$5,000 per month. The Hankow authorities apparently do not want the remaining foreign firms to close up and are so giving these small accommodations where necessary to keep them there.

This policy is apparent both on the part of the Chinese and the Russian Communist advisors to the Hankow Government as well. Mr. L. E. Cole, recently in Shanghai from Hankow, told me that some time ago he became nervous over the safety of the small stock of cars (mostly Buick) which he had in Hankow and arranged to send

A.B.C. Diary - June 18, 1927.

As this was monthly cable week, my time was largely taken up as usual with numerous calls on local contacts for commodity and other information. I gave particular attention to the tobacco and cigarette situation and prepared both a cabled and a written report on the subject.

I had luncheon on Thursday with Mr. W. Wright of Andersen, Meyer & Company, Ltd., Shanghai, who has recently been on an investigatory trip to Hankow. The only new information which I secured from him additional to that which we already have on the very bad trade situation there is that the Hankow Nationalist Minister of Finance had been frank in telling Mr. Wright that the Hankow Government is regularly receiving through the Dal Bank, Shanghai, Mexican \$2,000,000 monthly from the Moscow Government. This is about the only means the Hankow Government now has for establishing financial credit in Shanghai and for the purchases it makes from the Hankow firms or from their Shanghai branches it makes payment in Hankow currency but issues permits of exchange by which the firms can secure payment in Shanghai through the Dal Bank. Rice, Salt, hospital supplies, and certain other army and other supplies are thus being purchased in Shanghai and the Hankow Government is using up most of this monthly credit of Mexican \$2,000,000 so that is very little, if any, left for commercial transactions or for financing imports to Hankow by business houses. Such facilities as the Hankow authorities do grant to local firms are confined to goods regarded as essential to the economic situation there. Hankow money remitted in this way is exchanged by the Hankow Government at par except that a 2½% remittance fee is charged. Thus, it appears that the chief support of the Hankow Government at the present time is this direct monthly contribution from Moscow, as the volume of trade has fallen to such a low ebb that the surtax revenues are very much mininished.

Mr. Wright said he had been successful in getting the Minister of Finance at Hankow to grant his company (Andersen, Meyer & Company, Ltd.) facilities for exchanging Mexican \$5,000 per month for transfer to Shanghai. He threatened to close the Hankow office of Andersen, Meyer & Company, Ltd. if this facility was not granted. This arrangement, therefore, practically limits the amount of import business this one firm can do (except for sales to the Hankow Government) to Mexican \$5,000 per month. The Hankow authorities apparently do not want the remaining foreign firms to close up and are so giving these small accommodations where necessary to keep them there.

This policy is apparent both on the part of the Chinese and the Russian Communist advisors to the Hankow Government as well. Mr. L. E. Gale, recently in Shanghai from Hankow, told me that some time ago he became nervous over the safety of the small stock of cars (Dodge cars) which he had in Hankow and arranged to send

same back to Shanghai for safety. He loaded two of these on a steamer for Shanghai. Borodin learned of what he was doing, came to see him, urged him not to ship his stocks out, and personally purchased both cars, paying cash for same.

I had an extensive conversation with Messrs. Hykes and Warner of the Oriental Alcoa, Ltd., who have developed a considerable business in recent months in the sale of American aluminium foil which takes the place of tin and other foil in cigarette package wrappings. They are much concerned over the effect which the tobacco monopoly situation is likely to have on their business and were desirous of securing all the information possible on this subject. I am giving them the benefit of my findings.

I called during the week on the Bolton Bristle Company and was conducted through their plant which is the only one of the kind in China. This plant performs the work of preparing the bristles for immediate use by brush manufacturers and saves this work being done at greater expense in the United States.

My time was also taken up with several matters pertaining to accounts, office administration and assistance to Mr. Arnold in various situations that little else was accomplished beyond essential routine work.

I called at the loan service office of the Customs for Customs Revenue figures covering Shanghai for the first five months of the year and these figures, or reference to them was made in the weekly cable to Bureau.

It was necessary for me to devote some time to straightening out the matter of payments to Mr. Evans for Packing of Household Effects, Transportation of himself and Family to Manila and the United States, and such like details.

I met on two occasions during the week with committees of the American Chamber of Commerce.

Gist of talk by Y. Tsurumi at Union Club, Pan Pacific Tiffin.

Described development of modern Japan, prior to 70 years ago endeavoring to absorb best of Chinese art, philosophy, and scientific knowledge, and for past 70 years has been endeavoring to adopt western culture and things and adopt them to Japanese life in the formation of a new type of civilization which will combine the best of both.

Mentions population increase and tendency of modern Japan to join in international mindedness for world peace and harmony, but states that if the outside world reverts to strong nationalistic tendencies and selfish rationalistic purposes Japan may be driven back to her former more aggressive and nationalistic policies.

June 13, 1927.

(The remainder of this report is for the week ended June 11th, only)

My time was so taken up with several matters pertaining to accounts, office administration and assistance to Mr. Arnold in various situations that little else was accomplished beyond essential routine work.

I called at the loans service office of the Customs for Customs Revenues figures covering Shanghai for the first five months of the year and these figures, or reference to them was made in the weekly cable to Bureau.

It was necessary for me to devote some time to straightening out the matter of payments to Mr. Evans for Packing of Household Effects, Transportation of himself and Family to Manila and the United States, and such like details.

I met on two occasions during the week with committees of the American Chamber of Commerce.

A.B.C Diary. Activities for week ended June 4, 1927.

I spent some little time in guiding Mr. Long's efforts in getting out the May Monthly China Trade Report, completed the preparation of certain commodity material for same, and received several callers requiring minor assistance.

Among these was the representative of the Fairbanks Morse & Co., who desired to secure information on the possible marketing of Fairbanks scales in North China.

With Mr. Arnold's concurrence and as requested of him by the Board of Directors of the American Chamber of Commerce, I have arranged to devote such time as is possible without interference with my regular work in assisting some one or two of the committees of the American Chamber of Commerce in an advisory capacity in meetings at which discussions and study of the issues with which American business is confronted in China today will be made. The Chamber has on several occasions in the past issued statements endorsing the views of such persons as Silas W. Strawn, American representative to the recent China Tariff Conference, and has also given publicity to its views on the general situation in the country. I have already prepared and submitted to the Bureau two or three statements of a nature reflecting the views of local American business men and members of the Chamber. The Committee meetings usually take place at luncheon or after office hours; hence, this arrangement seems to be practicable. The Chamber has elected both Mr. Arnold and myself, as well as Consul General Gauss, to Honorary membership.

I have engaged the temporary services of Mr. H.S. Carey for special commodity investigational work in which he is experienced and familiar, as is Mr. Long, and with the assistance of these two gentlemen I shall hope to clear up a good deal of the unanswered Bureau and business inquiries now on hand. Our local employment budget, fortunately, due to savings on exchange in the past year, will permit of engaging these extra services without asking for further allotments of funds from Washington for the balance of the present fiscal year.

Nov. 23, 1927. Canton. Brief discussion of conditions in Canton with Consul J.C. Huston revealed the fact that business conditions are generally bad, Central bank of China notes are rapidly becoming worthless and are already not acceptable by some of the merchants. In fact Mr. Huston informed me that I could not have come down at a worse time. He stated that many firms (Chinese) are going into bankruptcy ~~XXXXXXXX~~ and that the worst of the effects of the disturbances of recent months and years are now being felt in the trade situation. Military exactions, the road building program in the city which has disregarded property rights and has not provided any compensation to property owners who were affected by the indiscriminate destruction of property to make room for the streets, ~~XXXXXXXXXXXX~~ communist labor troubles and other general ruction has reduced many to dire straits. The new streets provide freer circulation about town, but the merchants and property owners who were obliged to tear down their buildings and rebuild (if they were fortunate enough to have space to rebuild upon) have not ~~XXXXXX~~ enjoyed any of the increased benefits to trade which would result from these new roads and streets, ~~XXXXXX~~ ~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ due to the bad conditions of government which have killed business rather than providing means of improving business.

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I drove about the new streets and was surprised to find that the major portion of them are not paved, though some ~~XXXXXXXXXXXX~~ few streets are apparently well paved in asphalt. Others are merely dirt roads rolled. Still others have been concreted but poorly done, and depressions and holes in the road make riding even in motor cars anything but smooth.

wide
These new streets ~~//////~~ in Canton a congested closely huddled city where nothing wider than narrow alleys were found previous to this street

development plan, are apparently regarded as a very great innovation
and are heralded as a ~~great~~ ^{marked} indication of progressiveness. ~~xxxxxxxxxxxx~~

~~xxxxxxxx~~ To those who knew Canton in the days before this street
development came about the change does present a remarkable contrast,
but considering the Bolshevist means by which property rights were disregarded
(not to mention the various forms of graft which entered into it which might
be expected anywhere under unsettled conditions), one cannot have the same
admiration for the results as would be possible under different circumstances.
The ruthlessness adopted by the younger foreign educated Chinese returned stu-
dents and engineers in this improvement program is hardly in keeping with
American ideas of the square deal, and the Bolshevist idea that the minority
must suffer in order that the majority may benefit has appeared to prevail
while actual developments in government have been such that no-one has benefitted
to an appreciable extent except the political grafters and opportunists.
It would appear that even those sincere and progressive individuals or groups
who have worked for real progress have been thwarted almost entirely in their
program.

However, this much can be said of the present situation in Canton. Anti-
foreignism appears to have largely disappeared. At least that is the opinion of
those foreigners resident there. Its indications still remain in some aspects,
however, as evidenced by one or two experiences of my own.

As I was leaving Hongkong to go to Canton by the Canton-Kowloon Railway,
which, by the way, is operating apparently unhampered and with regular schedules
of passenger service over the entire route, ~~xxx~~ a Chinese inspector of the
Chinese Maritime Customs at the Kowloon Railway station went through my
suit case carefully, found my kodak and despite my explanation that I had pur-
chased the camera in Shanghai nearly ten years ago and had had it in and out
of China half a dozen times since without ever being interfered with, insisted

as a regular practice not only with kodaks and cameras but with any article which they can classify as dutiable. I was also informed by several persons that for this ~~RE~~ reason many people avoid the use of the railway but prefer to travel by boat, which takes seven hours as against 4 hours by train, and while the inspectors are sometimes just as uncompromising at Canton, the traveller has the advantage of undergoing the inspection at the destination rather than at the start of his journey. The only way to keep out of difficulty is to ~~NEVER~~ take absolutely nothing but one's personal clothing and toilet effects on the trip to Canton.

to some extent

The students are still imbued with anti-British feelings if not anti-foreign feelings generally. At least on my arrival at Shameen as I was walking about in search of the hotel, a young student about 18 years old, Chinese, stopped me and asked me if I was looking for someone. I told him I was looking for the Victoria Hotel. He then replied, "Well, if you are British I won't tell you, but as I think you are American I will tell you." I assured him that I was an American and he thus directed me to the hotel.

Another incident which occurred which would lead me to believe that attempts to bait foreigners still prevail was that of a demonstration along the ~~XXXXXXXX~~ Chinese bund or street opposite Shameen. News of a Northern advance had reached Canton that day by telegraph. A demonstration committee chartered about eight or ten automobiles and rode up and down the street for a solid hour flying banners and lighting fire crackers by the bunch and throwing them into the street. They did not go on to any other street or part of town, but paraded up and down only before Shameen, keeping up a great clatter and smoke with the firecrackers for one hour. I was obliged to wait until the demonstration was over to secure the hire of an automobile to go about town. Residents on Shameen (the foreign concession area) did not seem to think this was anything unusual or that it was

a demonstration calculated to irritate foreigners. Despite ~~XXXXXXXXXXXX~~
these views I cannot explain the confining of this demonstration to the
street facing Shameen (the scene of the Shameen shooting incident of 1925)
to other than a desire to irritate the foreign community, which paid no atten-
tion whatever, visibly, to the demonstration nowever. The cars were filled
with young wags ~~MM~~ of the smart aleck type.

anti-foreign

There was no other manifestation or anything which could be so interpreted
during my two day visit to Canton on this occasion.

Dr. Henry at Canton Christian College (now known as Lung Nan University)
and being conducted under Chinese auspices) told me that so far as the students of that institution are concerned, they
are in a much better state of mind and much more inclined to study and to con-
structive purposes than at any time during the past five years.

One outstanding encouraging feature in the South China situation is the
support being given by the Canton Government to the seri-cultural experiment
work at Lung Nan university. This experiment station, buildings and personnel
was turned over by the university to the government for a period of _____ years
to be used in conducting the experiments designed to work out a breed of worms
which will be as free from disease as possible, and which will produce a silk
acceptable on the American market. Canton silk is not going to America in
anything like former quantities because of deterioration of the grade. Efforts
are therefore being made in this ^{station} ~~school~~ to improve methods of reeling, selection,
production of mulberry leaf, and to develop a strain of worms which will produce
silk of a grade acceptable on the American market.

Notes on Hongkong.

Friday, Nov. 25. Called on Mr. A. Morley Horder, Manager, Connell Bros. Company, Hongkong, presenting letter of introduction from Mr. S.C. Kingsbury Shanghai manager of same concern.

Mr. Horder discussed in general the situation in Hongkong stating that while business conditions here are much improved over the conditions obtaining during the boycott of the past two years, Hongkong ~~XXXXXXXXXXXX~~ owes its importance to its position as a shipping point, rather than being a manufacturing, industrial or trading center of consequence. Hongkong is dependent on conditions in the interior and at the ports of Canton, Amoy, Swatow, and on conditions in Kwangsi and Yunnan.

So far as ~~the~~ influence on trade is concerned conditions at Canton and in Kwangtung generally, as well as at Swatow and Amoy are bad. Rapid changes in government, the recent coup in Canton, depreciation of the Central Bank of China notes, and the general feeling of uncertainty and insecurity to merchants, ^{and} property owners, accompanying these events has a detrimental effect on business and on the volume of trade ~~passing through Canton~~ passing through ~~Canton~~ Hongkong.

Current newspaper reports indicate that the feeling of apprehension and insecurity in Canton are such that boats coming down to Hongkong are bringing large passenger lists, some steamers bringing as high as 900 to 1000 persons daily. There is no restriction on the entrance of refugees to Hongkong. The population of Hongkong ordinarily stated (last census) as being 600,000 Chinese, but at present this is probably augmented by _____ additional Chinese seeking security here from disturbed conditions in various Chinese ports and in the interior.

how much is Hongkong's population increased at present by refugees?

Notes on Hongkong.

Sat. Nov. 26. Called on ^{Son} Sir Shou Shen Chow, Chinese Merchants Club, 5th floor China Bldg., Queens Road Central, Hongkong. This gentleman is Chairman of the Board of Directors of the Bank of East Asia, Ltd., which has recently put up a fine new building in Shanghai. He is also a member of the Hongkong Legislative Council and has been Foreign Minister of China in the past, though he has been located here in Hongkong for 16 years. He is a graduate of Columbia University, class of 1881. During the Boxer uprising of 1900 General Smedley Butler, then a subordinate officer, he invited to occupy the offices or building of the China Merchants Steam Navigation Company of which Mr. Chow was then an officer or manager at Tientsin. Smedley Butler ~~XXXX~~ during this trouble helped to evacuate the Chow family to a steamer when danger arose, and carried Mr. Chow's daughter, then a little girl of four or five in his arms ~~on~~ to the steamer. Just recently, since General Butler's return to China he met Mr. Chow's daughter, now married to a young engineer of the Men tou kou coal mines, at a dinner at the American Legation in Peking, and not suspecting her identity was recounting this incident of his early experience, in China. After he had finished the ~~XXXXXX~~ lady explained that she was the little girl the General carried on board the steamer.

My conversation with Sir Shou Shen Chow resulted either in his assent to or his advancement of the ~~XXXX~~ following beliefs or opinions;

1. That the flaws in the foreign position in China have been emphasized and exaggerated out of all proportion to their reality or importance as fact in this situation.
2. That the anti-foreign movement has been advanced almost entirely for political purposes and for the selfish personal aims of corrupt Chinese politicians, - ~~and that it is~~ ^{engineered in part by} ~~Russian communists in its inception~~ ^{under Russian guidance.}
3. That the peasants and workers ~~XXXXXX~~ and students who have been unionized and have been used in furthering the ends of these politicians have been duped and fooled and have ^{really} gotten very little out of it, and are ~~therefore sceptical and less susceptible to~~ ^{for the most part} ~~XXXXXX~~ being "used" further in these various schemes.
4. That violent manifestations of anti-foreignism have almost completely disappeared in South China, ~~but were so intensified that they are still~~ ~~susceptible of being stirred up~~ ^{in South China}
5. That the anti-British boycott situation ^{is} better, so far as trade is concerned than at any time in the past two years, BUT that while the movement of armies in South China and rapid changes in military and political control ~~are~~ going on, ~~XXXXXXXXXXXXXXXXXXXX~~ material improvement to trade which should result from a slackening of the boycott cannot be expected.

*if anything
willing to be*

6. ~~XXX~~ That General Li Chai Sum, in control of Canton up until Thursday November 17, has ~~XXXXXXXXXX~~ been generally regarded by the Chinese business communities of South China and in Hongkong as inclined to progressive and constructive policies, and that doubtless he or other fairly conservative elements would regain control of the situation at Canton, though nothing could be predicted definitely.
7. That despite the views set out in 1, 2, and 3, above, there are certain changes going on in China which must be recognized as ~~XXX~~ making ~~Monday~~ a different status of relations between China and the foreign powers and that the Chinese business world would like to see constructive work toward arriving at a happy medium between ~~XXX~~ what the old type of foreigner in China would want and what the Chinese extremists are demanding.

Methods, means, were not discussed. But Sir Chow agreed that unless some more definitely constructive effort is to be made by all concerned, the present troubles might well go on for a long time. He also agreed that business is going down hill in South China today, and the Chinese merchants would like to see conditions come about early when honest and fair unhampered trading could go on under peaceful and sane conditions.

Questions:

1. Are Chinese business communities here or anywhere else in China endeavoring by any means individual or concerted to do anything to bring about a betterment of this situation?
2. If so, what is the form of their activity? In other words what are they doing?
3. Are they helpless in face of the military and political confusion to accomplish any results?
4. Is it true that the Chinese business communities can do little more than "sit tight" and wait for better or worse conditions, protecting themselves as best they can. (including bankers and industrialists)
5. Are there ~~any~~ dependable and responsible people in the entire political and military field in China ~~upon~~ in whom the Chinese business communities can place confidence and whom they would be willing to see placed in complete control of the entire situation?
6. Who are these?
7. Are they sufficient in number to be effective in a constructive program, or ~~XXXXXXXXXXXXXXXXXXXX~~ would they be likely to be overwhelmed continually by reactionary and non-progressive groups.
8. How long a time do Chinese business men think it likely that the present disrupted state of affairs will continue? Is 100 years too great an estimate.
9. Do you think it likely that Chinese business communities throughout the country could get together in a single policy to work out a practical program which would involve foreign co-operation with the dependable elements in China in restoring order, peace and prosperity.
10. For example would Chinese merchants, bankers, and industrialists look with favor upon an arrangement which would involve American, British, Japanese co-operation with responsible Chinese elements in the creation of a constabulary, largely Chinese, but officered in part in its inception by foreign officers to accomplish the following:
 1. Disarm ~~XXXXXXXXXX~~ irresponsible military bands and brigand gangs and put the coolie armies to work on roads, drainage, waterways and other constructive purposes.
 2. Keep open and operating railways and other lines of communication, using qualified Chinese engineers, and other personnel to the greatest possible degree.

33. Such a constabulary could operate of course only under an international high commission which would direct the other functions of government and finance. Is it likely that Chinese merchant, bankers, and industrial people would favor the creation of such a high commission consisting of Chinese, American, British, Japanese representatives which would control the country, or some one section of it ~~XXXXXXXXXXXXXXXXXXXX~~ for say a period of ten years.
4. If the Chinese business communities should approve of such a plan, is it likely that ~~XXXXXXXXXX~~ other groups such as militarists, students, laborers, politicians would fight it.
5. Are Chinese business communities powerful enough, for example, to get responsible Chinese elements together, and then importune the foreign powers for a Conference which would ~~XXXXXXXXXX~~ work out a ~~XXXXXXXXXX~~ just plan which would be fair to China and which would maintain equal opportunity on the part of the powers in China's trade?

Tuesday Nov. 29, 1927.

Called on Mr. S.S. Chen, mgr., and Mr. Loy Chang, asst. mgr. Bank of China, and made tiffin engagement for tomorrow wednesday.

Chang

Mr. ~~Chen~~ said Chinese believe kidnapping in Shanghai is in part the fault of foreign police officers who are in cahoots with the kidnapers, wink at their crimes, and collect part of the proceeds.

Said Banks are carrying a considerable load of frozen credits generally and little prospect in sight in the immediate future for improvement to ~~the~~ ~~general~~ business situation. Hongkong dependent 60 to 70% on Canton for business. While war and disturbances and political changes are going on no prospect for improvement to business. Chinese merchants refusing goods, or unable to pay for deliveries, or turn over their money. ~~Chen~~

Asked re. Morgan loan to Japan and commented on American State Department's expressed approval or acquiescence at least in the loan so long as it is not against "open door". Expressed the view that Chinese business men and bankers are opposed to it because of the fact that any loan to Japan no matter for what bona-fide purpose, ~~releases~~ releases other Japanese capital to use in North China to loan to corrupt militarists to protect Japan's monopolistic aggressive ~~purposes~~ purposes in China.

Mr. Chen said no branch of Bank of China is now operating in Canton. This was to query as to how Bank could protect itself against the militarists. Said Bank of China is a commercial bank, not an official institution particularly.

Explained to Mr. Chang that U.S. has considerable amount of respect for Japanese integrity and will doubtless continue to loan money to Japan so long as Japan's aims are constructive, in fact will loan money to any country which can qualify. ~~Chen~~ Naturally Japan's industriousness, her cohesiveness, solid government, and past business integrity entitle her to credit. Explained that we got out of Russia ten years ago and had staid out, that we almost withdrew from China, and that ~~China~~ ~~stands~~ Chi a stands a pretty good chance of losing American interest and active friendship, as we have too many problems close at home, to bother worrying about a nation ten thousand miles distant which is not particularly disposed to show some reciprocal signs of friendship.

Rough memo of impressions. Nov. 29.

Though evidences of boycott and anti-foreignism are not now apparent in active or violent form, trade conditions are suffering the brunt of long period of war and disorder at this time, with the result that only a fraction of normal business is being done. Banks are carrying a lot of people, credits are frozen fairly solid, a lot of people have lost out entirely and many more are nearing the verge of bankruptcy, particularly Chinese firms in Canton. With the insecure conditions in Canton people are coming down by hundreds to Hongkong and Chinese here tell me there are no less than 100,000 Chinese surplus population in Hongkong today, refugees virtually or at least here temporarily to be secure.

Property values in Hongkong have dropped to the extent (with slight recovery in some respects however) and now stand probably at 25% below early 1925 levels on business property in the business section of Hongkong while values in outlying sections or residential sections of Kowloon have dropped to levels 75% below early 1925 levels. No recovery can be looked for for five years and even then the extent of recovery ~~will~~ if at all will depend on the trend of affairs both in Canton and in the Yangtze valley as Hongkong is more or less affected by conditions in Central China generally as well as by South China conditions.

One Chinese merchant expressed the view that Hongkong is 60 to 70% dependent on Canton business.

Large sugar refineries here are closed owing to sugar surplus on world's markets.

Tredwell says artificial premium put on Hongkong Dollars by Hongkong Colonial Government is detrimental to industry here, makes production cost of shipyards here too high to get business, which is why American ships are being built at Shanghai instead of Hongkong.

Nov. 30, 1927. Wednesday.

Called on Mr. D.D. Forbes, Mgr. Andersen, Meyer & Co.

Had Lunch with Mr. S.J. Chen, Mgr., and Mr. Loy Chang, Sub-Manager, of Bank of China, Hong Kong, Mr. Cheng Hsu Wang, brother of C.T. Wang, and Manager of the Ho Hong Bank, Hongkong, and Mr. H.L. Yung, Yee Cheong Co., Ltd., Banque de l'Indo Chine Bldg., Queens Rod., importers and exporters dealing in metals, sundried, matting export and other south china products for exporting, and in kerosene. Wants American connections for sale and purchase but mentioned difficulties of credits with Americans.

Called on Sir Robert Hotung, and was introduced by card to his nephew Mr. Ho Leung, Compradore of Jardine, Matheson & Co. Hongkong.

Said Hongkong is rice market, that Hongkong's business is now probably 70 to 80% of what it was before the boycott, and is not really as badly off as many people try to make it out to be. Those who have lost money have lost in speculation such as property investment and in shares, rather than intrading operations, so far as Hongkong is concerned.

The trade of Kwangtung and Kwangsi through Hongkong accounts for probably sixty to 70% of Hongkong's business.

Thursday Dec. 1 1927.

Called again on Mr. A. Morely Horder and secured a considerable amount of information on the foodstuffs trade general marketing situation here, closeness on which firms have to work to meet competition, making less than 1% for example in handling California Sardines, and up against a virtual shut out with canned fruits due to the Del-Monte-Nestle combine.

Called also on Andrew Harper, Jr. Hongkong agent of Ford to discuss the agency for F.A.B. Manufacturing Co.,

Also called on Consul Shantz, read his monthly report for October, discussed several features of the situation with him, and went to lunch with him at the American Club where met Mr. Gier, Vacuum oil, and Mr. Schultz, Standard Oil Co., Asst. Mgr., but now in charge of

South China. At American Club Mr. Horder introduced Mr. Woltze of Bear Brand Hosiery.

After tiffin went with Mr. Shantz to visit the new show rooms, offices, and repair station, also the present repair station of Andrew Harper Ford Agent, on Kowloon side. Mr. Harper Jr., discussed unfair automotive competition and how his company is combating it by giving Ford bus owners a monthly inspection to assist them in passing the official police test. Mention competition slogans such as "This is British and I'm Proud of it".

Peking.

November 20, 1929.

Mr. Louis E. Van Norman,
Editor, Fortnightly Field Letter,
Bureau of Foreign and Domestic Commerce,
Washington, D. C.

Dear Mr. Van Norman:

Chinese Cricket Gourds

I was honored today by a call from Mr. Robert E. Stevenson, an American citizen of Peking who has been in this country for many years, and who wishes to find a market in the United States for Chinese cricket gourds.

I may explain that it has long been an honorable custom among the Chinese people to collect crickets during the summer months and to keep them in small cages or containers about the house to disseminate a cheerful atmosphere by their music. Possibly as long as twenty-five hundred years ago some Chinese with an inventive mind conceived the idea that this particular joy might be prolonged through the winter months if some means could be found of swaking the crickets from their winter sleep and surrounding them with conditions conducive to music making. A gourd was seized upon as the ideal winter habitation for these chirping purveyors of cheer.

The gourds containing the dormant crickets were either placed on the heated Chinese bed or kang, or carried in close proximity to the body of the person interested in producing cricket music in winter. Other ingenious means of heating the container, such as surrounding the gourd with padding and warm water were customarily employed.

The top of the gourd was ornamented with an artistically carved cover made of jade, turquoise or tortoise shell, perforated, as was the gourd itself, to admit air, and to permit the egress of the music which was augmented by the curved inner surfaces of the gourd which served as a sort of sounding board.

The idea spread and became an established custom or practice, and the industry of cricket gourd carving thrived apace. Only a few centuries ago, in fact, no self respecting and up to date Chinese family would any more be without a bevy of cricket gourds emitting their strident chorus, than would an American family today be without a radio set.

The cricket gourds have, since those days become articles of commerce and of value as curios, representing as they do an ancient custom of the Chinese people, and revealing a phase of their habits of living which is rapidly dying out under the changing conditions sweeping over the former Celestial Empire. Now modern jazz, even radio, is breaking in on this quaint and beautiful custom which is threatened with extinction.

With the thought that some of the Bureau personnel may wish to take steps toward preserving this institution and saving it from obliteration, I bring the matter to your attention, realizing as I do that perhaps among readers of no other publication than the Fortnightly can there arise a deeper appreciation of the value, commercial and cultural, of saving the Chinese cricket gourd for modern civilization.

The regeneration in America of the art of producing winter cricket music would do much to iron out the difficulties now confronting the relations between the Chinese and the American people. We must be patient with Young China, we must not censure her too severely for neglecting to foster and maintain these arts and cultural pursuits of her glorious past, and must do our part to preserve them to the end that future generations of Chinese, realizing their value, will turn to us in gratitude and in augmented dollars and cents trade results. And here we have an unusual opportunity offered to secure directly from perhaps the world's greatest living authority on the subject, containers as old as 600 years, attractively carved, at a mere song, figuratively speaking, as to price.

In case any of your readers wish to inspect these containers a collection may be found in the Metropolitan Museum of Art, in New York, and another at the Field Museum, at Chicago. Unfortunately neither institution has seen the value of recreating the industry. I must claim that as my contribution to better relations. The museums have merely placed the utensils on exhibit, to gather dust.

Applications for cricket gourds may be made by mail or cable and I shall be glad to turn inquiries over to the suppliers here upon receipt.

1/ A drawing is attached showing the approximate size and shape of a cricket gourd.

Very sincerely yours,

A. Bland Calder,
Acting Commercial Attache.

Enclosure #21668.

ABO/BOG.

Peking.

October 18, 1929.

Mr. L. O. McGowan,
China American Trading Corp.,
Rue de France, Postal Corporation,
Tientsin, China.

Dear Mr. McGowan:

Mailing List.

In response to your verbal request on behalf of the Tientsin American Association for a mailing list of representative persons in the United States, I take pleasure in suggesting the following:

Mr. Charles C. Moore, President,
Charles C. Moore & Co.,
San Francisco, California.

(Chairman of Malolo Cruise, President Panama Pacific Exposition (1915). He will not be back in San Francisco until Dec. 21. Past President of San Francisco Chamber of Commerce. Also President or Director of 9 other corporations or banks, and 3 societies.)

Mr. Robert Newton Lynch,
Vice President and Manager,
San Francisco Chamber of Commerce,
San Francisco, California.

(On Malolo as sub-chairman of cruise).

John T. Barnet,
Denver, Colorado.

(On Malolo Cruise. He is director of several large corporations).

H. Blatchly,
San Francisco Advertising Club,
San Francisco, California.

(On Malolo cruise; connected with various other organizations).

Mr. Warren E. Brown, President,
Wichita, Kansas.

San Francisco, California.

(Director of several railways and banks. On Malolo cruise).

(Also President or Director of several other large organizations including - - - - -)

Mr. A. M. Clark, - - - - -
Vice President,
Columbia Steel Corporation,
Portland, Oregon.

(On Malolo cruise). President, or Director of several local corporations and banks.)

Mr. Russell Davidson, President,
Davies Motors Inc.,
San Diego, California.

San Francisco, California.

(He is also a director of San Diego Chamber of Commerce and is on Malolo cruise). or Director of other corporations.)

- - - - -

Mr. Roy E. Davison, President,
Standard Paper Co.,
Tacoma, Washington.

(Also member of Tacoma Chamber and is on Malolo cruise).
several advertising clubs and associations.)

- - - - -

Mr. Deane H. Dickason,
Educational Director, of Board,
American Express Co.,
San Francisco, California.

(On Malolo)

- - - - -

Mr. G. O. Draper, Vice President & Director,
Draper Mills, Inc.,
Milford, Massachusetts.

(Author, on Malolo cruise).

- - - - -

Mr. J. M. Etienne, President,
Cyclops Iron Works,
San Francisco, California.

(Also President or Director of several other large organizations
including West Coast Life Ins. Co. On Malolo).

J. B. Fishburn,
Roanoke, Virginia.

(On Malolo. Vice President, or Director of several local cor-
porations and banks.)

(On Malolo. Chairman, President, Director or Trustee of
several financing corporations and trusts and agent of
the U. of State of D.C.)

Mr. W. H. Ford, President,
Associated Gravel Co.,
San Francisco, California.

(On Malolo. President or Director of other corporations.)

(On Malolo. Director or President of several large corporations
and San Francisco.)

Walter F. Foster,
Foster & Kleiser,
San Francisco, California.

(On Malolo. Member of outdoor advertising company and of
several advertising clubs and associations.)

Mr. A. O. Frick, Chairman of Board,
Frick Company,
Waynesboro, Pennsylvania.

(On Malolo).

Mr. John Frost, Vice President & Director,
Frost National Bank,
San Antonio, Texas.

(On Malolo.)
Foster & Kleiser Co.,
San Francisco, California.

(Malolo. Partner of Mr. Foster, above).

Mr. Mark L. Gerstle, President,
M. L. Gerstle & Co.,
San Francisco, California.

(On Malolo. Pres., Vice President, or Director of seven corporations).

James Hill,

Mr. R. W. Higbie, Chairman,
Provident Mortgage Corporation,
Jamaica,

(Malolo. Regent of University of State of N.Y.)

(On Malolo. Chairman, President, Director or Trustee of several financing corporations and banks and Regent of the U. of State of N.Y.)

J. Marshall Payson, Attorney,
San Francisco, California.

Mr. Peter J. Huth, Director,
Pacific Fruit Exchange,
San Francisco, California.

(On Malolo. Director or President of several large corporations and banks in Sacramento and San Francisco.)

(Malolo. Director, Chairman of several banks and corporations).

Mr. A. Jordahl,
President and Director,
American Kreuger & Toll Corp.,
New York City.

(On Malolo. Officer of several other concerns).

(Malolo. Also officer of other banks and corporations).

Edgar M. Kahn,
J. Barth & Co.,
San Francisco, California.

(Malolo. Member of several associations).

(Malolo. President or director of 8 corporations and past Pres. of Brooklyn Chamber of Commerce.)

Mr. Geo. W. Kleiser,
Foster & Kleiser Co.,
San Francisco, California.

(Malolo. Partner of Mr. Foster, above).

Mr. Wynn Meredith,
Sanderson & Porter,
San Francisco, California.

(Malolo. Prominent Engineer.)

- - - - -

James Mills,
Hamilton City,
California.

(Malolo. Citrus grower. Influential person. Regent of
University of California).

- - - - -

J. Maxwell Peyser, Attorney,
San Francisco, California.

(Malolo.)

- - - - -

John C. Robinson,
Springfield, Mass.

(Malolo. Director, Chamber of Commerce and of banks and
corporations).

- - - - -

Mr. Thomas Branch Scott, Treasurer,
United States Tobacco Co.,
Richmond, Virginia.

(Malolo. Also officer of other banks and corporations).

- - - - -

Arthur S. Somers, President,
Fred L. Layenberg Co.,
New York City.

(Malolo. President or director of 8 corporations and past
Pres. of Brooklyn Chamber of Commerce.)

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J. C. Taylor, President,
Chester Chamber of Commerce,
Chester, Pa. Chamber of Commerce,
San Francisco, California

(Malolo. President or Director of 9 corporations, and
Counsellor of United States Chamber of Commerce.)
affairs. Dean of School of Commerce, University of California.)

Mr. Gaylord P. Wilcox,
Honolulu, Hawaii, President,
Univ. of Oregon,
Eugene, Oregon.

(Malolo. Vice President or Director of 8 corporations, and
Trustee of Hospital.)

Dr. Walter S. ...
Columbia University,

The foregoing are probably the most representative members of the
Malolo party. Following are other influential people, many of whom I
have met on trips to the United States, have had correspondence with,
or know personally to be interested in subjects relating to China.

opinion as affecting International Relations, is a keen analyst
Silas H. Strawn, President, has written books on Far Eastern
and American Bar Association, Division of International Relations,
and is at 38 South Dearborn Street, Chicago, Illinois. He was
my professor (Chicago, Illinois.)

Dr. Herbert H. Gowen,
Professor of Oriental Languages & Literature,
University of Washington,

(Now acting as Seattle, Washington. The Institute of Pacific
Relations at Kyoto. Prominent in state and National Republi-
(Author of historical works on Asia). Deep student of
American-Far Eastern relations.)

Professor Elliott G. Mears,
Graduate School of Business,
Stanford University,
University of California,
Seattle, Washington.

(Keen student of Oriental affairs.)

(Is now in China or shortly coming here for a year's study and
research work - teaching university.)

Henry F. Grady, Chief,
Foreign Trade Department,
San Francisco Chamber of Commerce,
San Francisco, California.

(Follows Oriental developments closely. Keen Student of Oriental affairs. Dean of School of Commerce, University of California.)

Arnold Bennett Hall, President,
University of Oregon,
(Chancellor Eugene, Oregon. Institutes of International Relations held periodically at Riverside, California, and other Pacific Coast cities.)

Dr. Walter B. Pitkin,
Columbia University,
New York City.

(Besides being expert on the technique of the "Short Story" and a literary man of repute, Dr. Pitkin is an expert on Public Opinion as affecting International Relations, is a keen analyst of Far Eastern situations, has written books on Far Eastern subjects, participates in Institutes of International Relations, and is American Editor of the Encyclopaedia Brittanica. He was my professor in Philosophy at Columbia.)

Chester H. Howell,
Fresno, California.

(Now acting as Publicity Manager for the Institute of Pacific Relations at Kyoto. Prominent in state and National Republican politics, author, editor, and publicist. Deep student of American-Far Eastern relations.)

Dr. Charles H. Martin, Dean,
Social Science Faculty,
University of Washington,
Seattle, Washington.

(Is now in China or shortly coming here for a year's study and lecture work at Yenching University.)

118 Pine Street,
San Francisco, California.

Dr. Karl C. Leebriek, Secretary,
Professor of History and Political Science,
University of Hawaii,
Honolulu, T. H.

(Close follower of matters relating to Far East.)

Mr. Leon B. Lowenstein,
25 Broad Street,
New York City.

Dr. Rufus B. von KleinSmid, President,
University of Southern California,

(Has visited Los Angeles, California. National War Silk Exchange,
New York.)

(Chancellor of several Institutes of International Relations
held periodically at Riverside, California, and other Pacific
Coast cities.)

J. J. Rogers, Manager,
Equitable Eastern Banking Corporation,
Broad Street,
New York City.

Dr. Frank H. Hinckley,
Merchants Exchange Bldg.,
San Francisco, California.

(Lawyer, University Professor, member of Foreign Relations
section of commonwealth club of California, well informed
on Far Eastern matters, expert in international law.)

The foregoing list of educational men I would describe as deep
unbiased students and experts on a wide range of subjects surround-
ing our relations with Japan and China. I met many of them at an
Institute of International Relations at Seattle in July 1928.

The following are business people more or less interested in
China trade; some of them follow developments here and have more
than casual interest in Far Eastern affairs.

B. D. Marx-Greene, Secretary-Manager, Pacific Corp.,
California Sardine Export Association,
604 Postal Telegraph Bldg.,
San Francisco, California.

Thomas V. Lount,
Mr. Rene May, President,
Getz Brothers Co.,
112 Pine Street,
San Francisco, California.

Mr. Ramsey Peagnet, Secretary,
American Silk Association,
New York City, N. Y.
New York City.

Mr. Leon B. Lowenstein,
Hinds and Winslow,
25 Broad Street, & Varley,
New York City, N. Y.
Boston, Mass.

(Has visited Far East. Founded National Raw Silk Exchange,
New York.) International and corporation lawyer. Visited China
with Howard in 1930 and Japan in 1937. Was League of Nations
financial control agent for Hungary.)

J. J. Rogers, Manager,
Equitable Eastern Banking Corporation,
Broad Street,
New York City.

Mr. G. H. ...
Import and New York City,
Association of Commerce,
Baltimore, Maryland.

Col. Birch Helms,
Blair & Company.

Mr. F. W. ...
Broad Street, President,
New York City Company,
Wilmington, Delaware.

Mr. E. F. Sutcliffe, Manager,
American Trading Company,
Broad Street, 1st Floor,
New York City.

Mr. W. J. Gates,
Assistant to President,
International Standard Electric Corp.,
67 Broad Street,
New York City.

Thomas W. Lamont,
J. P. Morgan & Co.,
Wall Street,
New York City.

Mr. I. ...
Assistant Sales Manager,
Ford Motor Co.,
Detroit, Michigan.

Mr. Martin Egan,
J. P. Morgan & Co., General Manager,
Wall Street, New York City,
New York City.

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Jeremiah Smith, Jr.,
Herrick, Smith, Donald & Farley,
1 Federal Street,
Boston, Mass.

(Prominent international and corporation lawyer. Visited China
with hamont in 1920 and Japan in 1927. Was League of nations
financial control agent for Hungary.)

China Club,
Boston, - Washington, - - - - -

Mr. G. H. Ponder, Director,
Import and Export Bureau,
Mr. Henry Association of Commerce,
Assistant Baltimore, Maryland,
U. S. Custom House,
- Seattle, - Washington, - - - - -

Mr. F. W. Pickard, Vice President,
E. I. Du Pont de Nemours Company,
Wilmington, Delaware.
Wilmington, Delaware,
- - - - -

R. M. Bowman,
Firestone Tire & Rubber Co.,
Akron, Ohio.
Akron, Ohio,
- - - - -

H. L. Riordan,
Dept. of Business Administration,
Marquette University,
Milwaukee, Wisconsin.
Milwaukee, Wisconsin,
- - - - -

H. E. Braun,
Bucyrus Erie Co.,
Milwaukee, Wisconsin,
625 Market Street,
- - - - -

R. I. Hobergo,
Assistant Sales Manager,
Ford Motor Co.,
Detroit, Michigan.
- - - - -

R. J. Archer,
Vice President & General Manager,
Willys Overland Co.,
Toledo, Ohio.

Member of Congress,

California, - - - - -

Mr. A. G. McLean,
Foreign Department,
First National Bank,
Seattle, Washington.
San Francisco, California.

(Chairman of the Section on International Relations,

China Club,
Secretary,
Seattle, Washington.

Frederick Snow, - - - - -

Chess Club,

Mr. Henry Blackwood,
Assistant Collector of the Port,
(Former U. S. Custom House, in China.)
Seattle, Washington.

Mr. Lee Jones,

J. A. H. Fort, Vice President,
Fageol Motors, Inc.,
Oakland, California.

Mr. Ralph Merritt,
The Balfour Bldg., Corporation,
San Francisco, California.

(Mr. Merritt is a close business associate of Mr. Hoover. He was formerly President of California Rice growers association, President of California Sun Maid Raisin Growers, and had wide business and contacts. Has visited Far East.)

Core Exchange National Bank,

Philadelphia, Pa. - - - - -

Mr. Jesse E. Hayes,
Ashley Evers & Hayes,

Architects and Engineers, good deal of care taken
525 Market Street, it is a selected, quality,
San Francisco, California.

Member of the San Francisco Chamber of Commerce

Mr. C. H. Matson, Chief,
Foreign Trade Bureau,
Chamber of Commerce,
Los Angeles, California.

- - - - -

Mr. Frank S. Gaines,
California Corrugated Culvert Co.,
San Francisco, California.

(Chairman of the Section on International Relations,
Commonwealth Club of California.)

- - - - -

Frederick Moore,
Cosmos Club,
Washington, D. C.

(Former N. Y. Times representative in China.)

- - - - -

Mr. Leo Anman,
American Metal Co.,
61 Broadway,
New York City, N. Y.

- - - - -

B. Atwood Robinson,
The Intermontinental Corporation,
Boston, Mass.

- - - - -

Charles Lyon Chandler, Manager,
Foreign Trade Department,
Corn Exchange National Bank,
Philadelphia, Pa.

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I have prepared the foregoing list with a good deal of care from a large list of contacts and would describe it as a selected, quality, list.

Doubtless you can from other sources secure additional names of representative people.

Very truly yours,

A. Blind Calder,
Acting Commercial Attache.

members of the party arrived on Monday morning at the reception
Peking.

at the Foreign Office here at which you were present, instead of per-

October 21, 1929.

mitting enthusiastically their interests in the brief period of their stay at
my own party.

Mr. Robert Hunter Lyden, Vice President and Manager of the

Dear Mr. Perkins:

San Francisco Chamber of Commerce was the source of information *Peking*

MALOLO PARTY'S VISIT TO

speaking of the cruise party.

In reply to your note of October 18 on the above subject, I
I called to the attention of several Chinese contacts the
may say that I was advised some time ago of the Malolo party's visit
and about a fortnight before the arrival of the party received a per-
sonal note from Mr. Arnold who stated that the party comprised per-
haps the most representative group of American business and profes-
sional men who had ever come out here on such a cruise. He was
desirous of my doing everything possible to facilitate their contact
with Chinese.

I have already handed the Minister a copy of the list of

passengers on the cruise from which it will be noted that a consider-
able number of the men are Presidents, Directors, Vice Presidents or
other officers of various corporations. Some individuals are officers
of several corporations. The party was headed by Mr. Charles C. Moore of
& Co., Engineers, San Francisco. He was a former President of the
San Francisco Chamber of Commerce, and was President of the Panama
Pacific Exposition, San Francisco, 1915. He is described by his
associates as an idealist, and appears to have had a great deal of
success in infusing the party with a spirit of real friendliness
toward the people of the countries they are visiting, such that the

and I am requested by the Chamber of Commerce and the

members of the party attend en masse such functions as the reception at the Foreign Office here at which you were present, instead of pursuing exclusively other interests in the brief space of their stay at any one port.

Mr. Robert Newton Lynch, Vice President and Manager of the San Francisco Chamber of Commerce was the second in command, so to speak, of the cruise party.

I called to the attention of several Chinese contacts the fact that this representative group of Americans was coming to Peking and later when I received Mr. Arnold's letter gave them such further particulars as were pertinent. I also informed these contacts that no wholesale entertainment was desired by the party though certain groups of men among the members of the party would like to meet similar groups of Chinese, but as the stay in Peking, two days, was so short, there was little time for arranging group meetings and there appeared only one group of Chinese interested in commercial affairs in Peking which it would seem desirable to bring together with the American visitors, viz: the Chinese Bankers Association. Despite the fact that I emphasized to Mr. Chow Tse Min, Chairman of the Peking Bankers Association, the feelings of the party as to accepting large scale entertainment and suggested that a small tea party to which a dozen or so bankers among the Malolo party might be invited, he apparently discussed the matter with the Chinese Chamber of Commerce of Peking, and with governmental authorities at the Foreign office, with the result that the reception at the old Waichiang Building on Wednesday afternoon October 16, 5.30 to 7 p.m. was arranged, and I was requested by the Chamber of Commerce and the

Bankers Association to present the invitations in person and I went to Tientsin for the purpose of meeting the party and rode up on the special train with them. Before I left for Tientsin a Mr. Wang at the Waichiapu called me up on the telephone and told me that the hosts at the reception would be the Chinese General Chamber of Commerce of Peking, the Peking Chinese Bankers Association, the Mayor of Peking, and the Governor of the Province.

On returning from Tientsin with the party I learned that Mr. Chow Tso Min, President of the Kinchong Banking Corporation, and Chairman of the Peking Bankers Association, had in addition to the reception, arranged personally to entertain the entire party at a theatrical performance by Mei Lan Fang, and he delivered to me his personal invitation to the Malolo party for this event, which I presented to Mr. Moore on his behalf.

Mr. Chow through Mr. C. S. Liu sent me approximately 350 tickets, including most of the box seat tickets, and requested me to arrange the seating, which I did in collaboration with the heads of the cruise party.

I also assisted Mr. Moore to arrange a small dinner party at which Mr. Moore and Mr. Lynch were hosts to Mr. Chow Tso Min, Mr. C. S. Liu, his close friend and associate (former Director General of Chinese Government Railways) were the guests of honor. The Chinese present told me later that they had never experienced such a warm and cordial feeling of genuine friendship and good will from a visiting group as was radiated by Mr. Moore, Mr. Lynch and the ladies of the party. Mr. Louis Stone of the American Express Company was also a guest at this small dinner party. I was not present.

nor were any other local Americans. Mr. Mei Lan Fang was also invited to be present at this small dinner party but was unable to attend as it was necessary for him to prepare for the evening performance. He was summoned from Tientsin on very short notice, arriving here only at 1 p.m. on the day of the performance, hence had many preliminaries to arrange. However, Mr. George Kin Leung, an American born Chinese closely associated with Mr. Mei was invited in his stead and was able to give the members of Mr. Moore's and Mr. Lynch's party some background of the Chinese stage at dinner before they proceeded to the performance.

Mr. Mei Lan Fang then invited the party to tea at his home on Thursday afternoon, 5 to 7 and about 60 members of the cruise party attended.

Mr. Moore and Mr. Lynch and various other members of the party were overwhelmed with the scale of entertainment given and with the warmth of welcome extended by their Chinese hosts and expressed themselves as highly pleased with the results of their visit to Peking feeling that much good will had been generated by the visit. They have urged their Chinese hosts to head a party of Chinese to visit the United States on a good will tour.

I assisted Mr. Moore and Mr. Lynch in their official calls on Thursday morning on the American Minister and on other contacts including their Chinese hosts.

Sincerely yours,

A. Bland Calder,
Acting Commercial Attache.

Mahlon F. Perkins, Esquire,
Counsellor of Legation,
American Legation,
Peking.

Peking.

October 5, 1929.

Prof. B. H. Crocheron,
American Trade Commissioner,
Shanghai.

Dear Professor Crocheron:

Delivered costs of fruits.

In response to your letter of September 29, received yesterday, I may say that Mr. Kao and I have called on six or eight of the larger dealers here and all claim that they have no very recent invoices, that they do not purchase a great deal of goods direct from Pacific Coast suppliers, i.e. that the shipments are not made direct to them here in Peking, but that they buy chiefly from stocks of wholesalers in Tientsin according to their requirements. They state that exchange has been so adverse of late that they are buying nothing but are using up their present stocks hoping exchange may improve.

We thus found it hard to worm actual delivered cost information out of them, but I feel confident I can get such information on my next trip to Tientsin, with the assistance of the importing houses who ought to be able to assist me in making exact calculations on the basis of present arrivals of goods.

Such information as we could secure locally is as follows:

Shang Tai Yi, Peking Provision Dealers, gives us the following data on a shipment of biscuits from Seattle. It works out as follows:

Agner & Frederickson bill of July 26, 1929, on Shea Tung & Co., Tientsin for 10 cases of each 24/No.5 tins Eagle Soda Biscuits. 20 dozen at U.S.A.\$8.00 per dozen c.i.f. Tientsin - - - - -	U.S.\$160.00
(and 1 case of two 11 - lb. tins of "Iced Gem Mixed" samples). No charge.	
Shipment per "Tyne Maru" 80 cubic ft. space gross weight 1240 lbs. Freight rate and freight charge not stated on any of the documents, not even on the Bill of Lading. U.S.\$160. converted at 58-7/8 equals - - - - -	Tael 271.76
Min. Com. (I suppose this means minimum bank commission	.75
88 days interest at 7% - - - - -	4.59
Total - - - - -	Tael 277.10

Brought forward - - - - - Taels 277.10.

at exchange .67.1 = M\$ 411.90.

This amount plus and handling charges, storage at Tientsin, and further interest converted into local currency at as shown on the company's books but no details available amounted to 10.20.

Total - - - - - M\$ 422.10.

Import duty at Tientsin - - - - - 68.40.

Rail handling, and local Octroi tax, Peking amounts to about 10% of invoice price or about 42.21.

Total Cost Delivered Peking - - - - - M\$ 532.71.

With 240 pkgs costing M\$532.71, the cost of one No.5 tin of Soda biscuits works out at M\$2.22 each.

These goods retail at M\$2.30 per package, but I think he is lying to us as Mrs. Calder says the range in price is anywhere between M\$2.00 and M\$3.00 on these goods.

Messrs San Ho Yi give us the following information on a shipment of mission orange juice, as follows; Prices are c.i.f. Shanghai per S.S. Pres. Garfield. Shipped by Mission Distributors, San Francisco.

7 cs. Mission Orange Juice, 12 qts each cs. at 10.50 each G\$ 73.50
3 cs. " " of 24 pints each @ 11.50 each G\$ 34.50
1 cs. advertising matter no charge.

Total c.i.f. Shanghai G.\$ - - - - - 108.00
(G\$1.62 of this was Insurance).

Arbitrary Shanghai to Tientsin - - - - - 2.50
(This figure looks small to me)
War, Theft, Pilferage & Breakage Ins. .91

Total c.i.f. Tientsin - - - - - G\$ 111.41.

90 days interest at 7% 1.92

Total - - - - - G\$ 113.33

On the basis of what the import tariffs and exchange were a year ago when these goods arrived we may figure out the delivered cost, about as follows:

G\$113.33 @ exchange 47 1/2 =	M\$	239.85
Minimum bank commission		<u>1.00</u>
	M\$	240.85
1 months storage @ W0.55		.80
Import duty, Tientsin W13.11		
Coolie hire for Customs examination		1.10
Extension fee		1.40
Agency fee		<u>3.00</u>
Total W 18.61	M\$	<u>26.95</u>
	M\$	268.80

Plus 10% for handling & freight Tientsin to Peking,
 Peking octroi tax, etc. 26.86
 84 quarts and 72 pints laid down in Tientsin
 therefore cost M\$ 295.46
 or approximately M\$2.47 per quart.

Retail price of the Mission Orange Juice, quarts, M\$ 3.00 or 21% profit.
 Formerly M\$2.90 when exchange was better. Pints - M\$1.50, formerly M\$1.40.

The firm of Wan Yuen Tai give us information on purchase of following shipment of asparagus. Purchased through Connell Bros Co. Tientsin.

		C.I.F. Tientsin.
5 cs.	24/2 1/2 Libbys Mammoth white asparagus	G\$ 3.55 per doz.
5 cs.	24/1 " " " " " Tips	3.35 " "
July shipment		
5 cs.	24/2 1/2 Libbys Mammoth white asparagus	3.55 " "
5 cs.	24/1 " " " " " Tips	3.35 " "
		Less 1 1/2% cash discount.
		1% swell allowance.

This dealer was suspicious of our motives and refused to give us further details of the cost of these goods merely saying that to get the goods from Tientsin to Peking adds an additional 12% to the cost. This bill of goods was shipped in July 1928 and some of its is still in stock in this store, so our informant claims. He states that he has ordered none since. Del Monte 2 1/2 Asparagus, and #1 tips are 85¢ Mex. each per tin. Libby's sells at 5¢ less per tin or 80¢.

On the basis of what the import tariffs and exchange were a year ago when these goods arrived we may figure out the delivered cost, about as follows:

U.S. \$3.55 @ exchange 2.20 equals	M\$ 7.61
Export duty, Tientsin, on basis Tael 1.10 per picul, which is based on gross weight, would work out, per dozen tins at only about 1/5 of a picul or \$0.22 =	M\$.31
Handling charges & storage, possibly	.10
Bank interest, possibly, 90 days at 7%	.55
Shipment to Peking, from Tientsin, including Tientsin Native Customs tax, (5%) rail freight, Peking octroi tax 3 1/2%, etc., etc. total 10%	.57

Cost, per dozen tins, delivered Peking one year	
ago, say	M\$ 9.64
or, per tin,	M\$ 0.80-1/34

The retail price is 80¢ at present in some stores and 85¢ in others on Libby's brand. All retail prices include a 5% to 10% rake off for household servants, so at this rate asparagus is being sold at less than cost, even allowing the 2 1/2% indicated cash and other discounts on the original bill, if taken advantage of by the dealer.

At these same C.I.F. prices figured at current exchange and higher duty now in force the calculation would be about as follows:

U.S. \$3.55 at exchange 2.50 equals	M\$ 8.67
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Export duty, Tientsin on basis of Tael 3.65 per picul of 133 1/3 lbs. gross weight. On basis on one dozen tins, about 1/5th of a picul, import duty would be Tael 0.77 or about	M\$ 1.07
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Wharfage dues and Hai Ho Conservancy tax, etc. 5% of duty	.09
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Bank interest on invoice price say 90 days at 7%	.15
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Handling charges, Tientsin, storage, etc. possibly	.10
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Tientsin Native Customs dues (5%) rail freight to Peking, plus Peking Octroi (3 1/2%) handling charges etc.	1.00
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Total cost of 1 dozen tins of 2 1/2 size Asparagus delivered to Peking on basis of last year's wholesale price and this years, tariffs, exchange and other charges	M\$ 11.28
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or, per tin,	.94
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Hence I feel inclined to place some credence in the contentions of the dealers that they cannot afford to buy at the present time and are waiting for exchange to swing in their favor before ordering more goods.

I tried hard to dig up an invoice or data on dried or canned fruits, but our friends the dealers were either out, or said they hadn't bought any for a year except from Tientsin stocks hence I can do nothing farther until I can get word back from the importers in Tientsin or until I can get to Tientsin personally when I shall look into it and get the information down to you before you leave Hongkong.

Mrs. Calder has about all of your things assembled now and will shortly advise you as to packing costs, etc.

I'd be interested in hearing whether you had any visitors after Paul's fumigation efforts on the trip down. Have met several more people coming from Mukden who complain of being eaten alive on the train coming down, so I guess old General Kao hasn't followed up my suggestion as yet. Self preservation is the only way out, and I am recommending Keatings and Flit, and several outfits will pull out of here so equipped.

Sincerely yours,

A. Bland Calder,
Acting Commercial Attache.

ABC/HCC.