

Cinnybinae + monarda

A Houseboat Cruise in Southern Kiang Su

My first view of the "yacht" on which my friend Hoffy and I were to live for a week was gained after crawling out from the dock along the waterfront in Shanghai over several barges and junks on the outer edge of which the houseboat was moored. I had been rather dubious about the trip since Hoffy had told me that the houseboat had no bathroom, no electric fans (the weather was stifling hot) and none of the conveniencies which I might expect to find. Hoffy's boy, a Chinaman about 45 years old had supplied the boat with food and bottled drinking water, enough to last a week, cots and bedding, mosquito bar shrouds for the beds, in fact all the necessaries for comfort during our trip through the canals of Southern Kiang Su Province. Kiang Su is a rather thickly populated province, Shanghai being the largest city. Its farming lands are without doubt the richest in China. The soil is a rich black loam, free from stones, and the whole country is interlaced with a system of canals and truly wonderful irrigation arrangements. The canals serve as highways, there being no roads in China, and also for drainage and irrigation purposes.

My first glimpse of the boat gave me a very favorable impression as I remarked that it was clean, well varnished all over and shining, and on entering down the hatchway from the "front porch" or forward deck, I had my breath quite taken away at sight of the elaborate wood carvings and scrolls with which the doors and walls of the main saloon are decorated. This room is about 8 x 9 feet indimensions and has a row of small windows along each side for light and ventilation. A narrow passageway runs from this room along one side of the boat back to the afterdeck where the crew lives, and off the passageway directly behind the main saloon are two more small rooms, one of which serves as our dining room and the other for a sleeping room for our interpreter.

The crew consists of the following; The Laodah, or Captain, his wife, and five sons, aged one, seven, nine, twelve and fifteen years in order of size, the grandmother, who prepares the food and spends most of the time looking out for the interests of the youngest son, and two hired coolies. The boat is propelled principally by a large sculling oar which is operated by three members of the crew weaving back andforth in unison on this after deck, over which there is a bamboo awning. You will note that the crew consists of ten individuals and it will be interesting also to note that this entire family lives on the after deck on a shelf about 6 x 9 in dimensions over the after part of the cabin, and that all their eating, living, and dying is done on this shelf or on the deck which is not over 12 feet long and tapers down to a very narrow point at the stern. On the above mentioned shelf the young members of the crew see daylight and there they spend their infancy later to grow up to the serious business of life such as manning the oar or pole. For these are water people - they live always on boats, bar-sampans. The captain's wife works at the oar or poles, or the preparation of food, and otherwise busies herself in the interpretation of the boat and its human cargo, ~~xxxxxxx~~ not the least of her duties being to see that the husky lunged one year old son with the required amount of fishment. Hoffy's boy cooks and serves our food for us, and does other small services. ~~xxxxxx~~.

2.30 Noon we cast off our moorings and swung out into the middle of the Whangpoo River, which drains Kiang Su and Chekiang and empties at a point about 15 miles below Shanghai, flows into the ~~xxxxxx~~ near the latter River's mouth, which is some 30 miles

The Consulate General here has approached me on several occasions on the matter, but I have always insisted that the money must be on its way from Moscow and would eventually reach here.

Just at the time I made the pause on the previous page, one of the Rome-Tokio aeroplanes passed over. The first one arrived from Foochow last Sunday, just as I was in the act of writing a letter to Blanche. Several of these Italian planes are making the trip from Rome to Tokio Japan, Shanghai being one of the landing stations on the route.

Lawrence Olsen, the guy you invited to the Ballet in Petrograd and who didn't go, has been out here in the Orient ever since the Get-away brought him here. I saw a good deal of him in ~~XXXXXX~~ Vladivostok more than a year ago when I was there, and he has since been in Harbin in the new branch of the I.B.C. He is leaving on the ship which will carry this letter "The Express of Russia" for home and will see our folks I presume there. His brother was in the Navy and was lost at sea going across. He was first officer on a ship carrying oil, and the ship was rammed accidentally by a torpedo boat, and sunk before anyone could stir out of their bunks.

Pringle, the quiet small bank boy, is still in Peking. Both of these fellows will be leaving for America in October. The N.C.B. New York live up on Washington heights and worked in Petrograd, and grew at the time I was there. I met them both in ~~any~~ isn't it. to be fast friends with them here in China. ~~They~~ ~~is~~ ~~an~~ In fact most of the ~~American~~ activity in Russia ~~is~~ ~~now~~ ~~at~~ ~~the~~ 1917 has been transferred to China, and it is not ~~ad~~ ~~at~~ ~~the~~ meet American who were engaged in business in Petrograd. time I was there.

Clare Gamble, finally got divorced from his wife. You'll remember when she left Petrograd in October 1917, we thought she was just going away because American women had been advised to leave the country. Well, as a matter of fact, it was a case of desertion, and they have not lived together since that moment. She remained most of the time in Manchuria as a war correspondent, etc. Clare Gamble, himself joined his company in Japan and has been there ever since. He never seemed very cordial with me, although he told me his troubles, and I saw a good deal of him at various times in Japan.

I've bought a new Scout Model Indian 1920 motorcycle and it is due here in a few days from San Francisco. I will use it to get out into the suburbs quickly for tennis after office hours, tennis being our principal recreation here in summer, and exercise being highly essential in this climate to maintain health.

Am fooling with the Chinese language. I have a young man come to see me every morning at 7 o'clock and I spend a half hour trying to get ~~the~~ hell of a few words. It's a devil of a language, believe me. Russian is a walk away in comparison. However I am getting so I can distinguish an occasional word and I have occasion now and then to get a little practice with my singing girl, and if I stay here long enough I may be able to get a fair speaking knowledge.

36 Kiangse Road,
Shanghai, China
May 8th, 1920.

Dear Brat:

I now take my pen in hand to answer your first letter from Constantinople, dated February 22nd. I say first because I am in hopes that there are more on the way.

In the first place, what right have you got to infringe on my private territories. Wasn't Africa, South America, and Australia and the South Seas enough for you, - but no, you must go right to Buggaria and Constantinople and rob me of all my laurels by donning the cloak of officialdom. Out upon thee, brat! I warn you against invading China or Japan. When you get headed in this direction I will have the bars put up, or retire in obscurity to Tibet which will be the last to succumb to the march of the Calder herdes. The "Near" east and the "Real" East join hands - - Shake!

I read with hair curling interest the account of your escape from Odessa armed with a six shooter and towing a beautiful damsel, yourselves barely escaping by the skin of your teeth after saving the other thousand, who kneel at your feet on the deck of the transport and kiss the hems of your garments and mutter appeals to Bog that blessings be bestowed on you. I feel that you must be several years older than I in experience to have accomplished all that, single handed. In fact I think the family in general has been more or less of an encumbrance to you and you only needed freedom and to be thrown on your own resources to have come out of you these brilliant achievements. In a way I am just a little bit jealous or rather envious of your recent experiences, and in a way regret my bad judgment in the past as to my own means of progress, for I have been foolish enough to try to save money and live within my means (even when I had to borrow money to do it) when I might better have spent my substance in elevating my personal prestige.

Well, I have no one to blame but myself, and I suppose there is ~~nothing~~ left but to pursue the course of an old foggy money grabbing business, buying and selling, and dickering, keeping costs down and expenses up, etc., etc., - I have to be content with about Mex \$400. per month income, which in times of good exchange is the equivalent of the same number of U.S. Gold Dollars, but which has fallen off with the last few days to be worth only about \$300. home side money. But since four dollars now will not do any more than one dollar used to did, there is no point in thinking I am getting a lot of money. In fact I am being underpaid, considering the character of the work I am doing the results I am getting, and the kind of high power brain work that has to be kept busy.

If you hear of a good position for an A-1 experienced man in importing steel products - wire me firm offer and I will take the next boat out, providing the outfit here doesn't forcibly detain me with a still better proposition. I have had a lot of general importing experience too which has been very good for me.

make out a roof less than a quarter of an inch square which was the Office of the Commercial Attache, American Legation, and wished my feet were right down there under my own desk. - - -
 arf - - another air hole. several in fact. I looked at him. He didn't seem uneasy. I took firmer hold - we were neither one of us strapped in (not necessary) - he looked at me and laughed. But I was unashamed. My back rest was the glass door of the cabin. I craned my head around and swung my shoulders enough to look in. Morgan Palmer was the solemnest looking man I've ever seen. Werblow was grinning, gave me a hand salute. Mr. Emery, Asia Bank manager, was talking. Miss De Lamarter looked uncertain. Two other ladies were looking out and down, Behr looked strained. I grinned at 'em all, got weak recognition only.

We were now nearing the field again, still high up. Suddenly the artillery fire ceased. Captain Lewis turned to me and said - "Well, how did you like it?" - I looked at the barometer - 2000 feet. He took his hands off and sat back comfortably. - I looked at him again reproachfully. With my head encased in a leather "casquette" and goggles on I don't suppose I succeeded in looking very reproachful. But to be asked how did I like it when we were still 2000 feet up in the circumambient atmosphere, exactly two thousand feet and four minutes, or maybe two minutes, from my idea of the completion of that flight and safety - well it was a little thick - that's all I have to say. We were going rapidly down in an elevator from the 476th floor of the Woolworth tower. I did so want him to take an interest in getting us down to the ground that I decided the best way out was to tell him something so in much less time than it takes to tell I replied "Great, marvellous - Absolutely G R E A T!!!!!! The control you have over this machine is unbelievable!" My argument seemed to be convincing, so he took hold of the wheel again, twiddled something, our nose tilted down, the earth was moving up to us rapidly, - in a twinkling we were swooping over the rooves of the military compound and my muscles relaxed as we touched good old mother earth again. Then I bethought me that my anxiety was useless up there, as he had foot control when his hands were not on the wheel, - dual control, feet or hands. - Wonderful. We drove across the field, made a graceful turn and stopped right in the very tracks we had been in at the start.

I wrung his hand and thanked him for saving my life, then sprawled out through the cabin. Gee, that ground felt good under my feet. I unbuckled the casquette, took it off, donned my own cap, and moved toward the waiting room to get my kodak. "How was it?" asked a poor sinner who had never been "up". "Oh, very tame, very very tame", said I - "No excitement whatever".

But between me and you and the gate post, I want to see home and mother once more before I do it again. - - -

(Signed, sealed and delivered)

A. Bland Calder.

P.S. MAKE YOUR WILL BEFORE YOU GO UP.

attention
Blanche
Mamma
Lillian
Mrs. Nelson
and
my
body
Jas.
Lillian
1921

Mamma
Lillian

MY FIRST AIRROPLANE RIDE.

Peking.

April, 9, 1921.

I had one wonderful experience today, - an aeroplane ride in one of the big 10 passenger Vickers machines with which the Chinese Government is soon to inaugurate an air mail and passenger service between Peking and Shanghai.

We drove out (Morgan Palmer, in the employ of the Chinese Government, and I) to the Nanyuan Airdrome, the Government aviation field and there awaited the arrival of the big Vickers machine, which is kept at Tsing Hu, about 20 miles away. We were scheduled to fly at 2 P.M., but it was already two o'clock before the big machine hove into view, piloted by Captain Lewis, formerly of the British Air Squadron, a young, finely built, tall young Britisher, with a command of French, English and Russian, and the machine, also.

The machine has two 400 h.p. motors, and an enclosed cabin holding nine passengers. I was fortunate in having the opportunity to ride beside the Captain in the cockpit and to see him drive the machine. There seemed to be no less than fifty "gadgets", as he called them, height barometers, speedometer, air and wind pressure instruments, spirit levels, clutch and the control is principally in a wheel, exactly like an automobile drive wheel, which not only revolves but can be pushed back and forth as required to manipulate the ailerons, etc.

I seated myself beside the Captain in the cockpit, tried to occupy my mind with the numberless "gadgets" and forcing myself to take a very keen interest in them, when as a matter of fact I felt somewhat apprehensive of the danger I was deliberately exposing myself to, but it was too late to think of that, and we awaited the completion of loading the machine with the nine other human parcels which were to constitute the load. When the observation car was "full up" the word was given, the blocks were taken out from under the wheels, an engine to my right twirled, then the one to my left and we began ambling around the field, which is none too smooth. Queerly enough the big machine can be driven around on the ground just as an automobile can, can be steered in any direction on the ground, the only difference being that it will not back up (no reverse gear). As the wind was blowing up a little blustery, the captain drove on the ground some distance away from the airdrome, then swung the machine around into the wind, tuned up his engines a little, then turned to me and said "Well, shall we make a go of it?" To which I replied "Sure, go to it!" He then speeded up both engines and we began picking up speed straight across the field, Chinese scattering from in front of us, gathering momentum all the time. I looked down and watched the wheels leave the ground, watched the ground slowly descend from underneath, and in a jiffy we were up 100, - 200 feet and travelling fast, the motors making a roar to drown any speech. I was not anxious to talk however, or to disturb the wizard at that wheel. I sort of felt that I preferred to have him pay strict attention to the running of that complicated machine. We began to turn, "banking", it is called, to go with the wind and back in the direction of the city of Peking. I decided

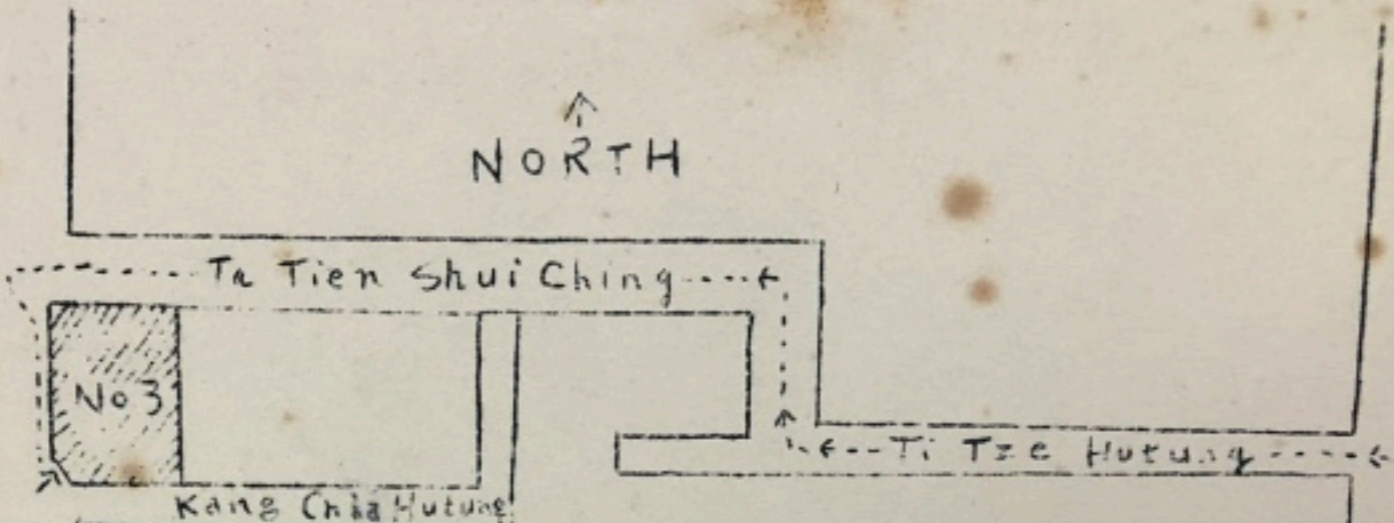
that I didn't like that turning business. The wind had a most disconcerting way of tilting up our nether wing, so I confined my observations to the switch board in front of me and the operator at my right, trying to imagine that we were in a motor boat on the water, right down on sea level, but my eyes fell on the "altimeter" and it was half way to the thousand mark, and we were climbing, climbing every second. We negotiated the turn and headed on the straight away for Peking, the Captain accelerated the motors, we gathered speed. I watched the air speedometer register 60, 65, 70, 75 - - I couldn't stand it to look at that thing, or the height barometer, and decided I must look down at friend earth - God bless us, we were up a thousand feet then. The automobile road on which we had driven out to the field was there below us, just a ribbon, with bed bugs moving along it, and the brown fields were there charted off, with clusters of grey rooves right flat on the ground, and we were rising every second by little swings up, up, up, ~~approaching~~ ~~the~~ ~~barometer~~. We were now approaching the outer south wall of the Chinese city. It looked just like a road down there, despite the fact it is 50 to 60 ft high. Then I saw the beautiful temple of heaven, its purple porcelain roof glistening in the sun, and the altar of heaven there a perfect circle under us, and I turned my eyes straight down over the edge of the cockpit. Two thousand feet below us were specks of dust moving about. The Tartar City wall passed beneath and we were over the great inner city of Peking itself. There was the Imperial City, the Forbidden City, all in Imperial Yellow, the rooves being of Yellow tile, mapped out in color, but without printed characters. I saw a small blot moving across the city under us. It was our shadow in the bright sun.

The Da Joks (big streets) and the Hutungs (small streets) were all there, we were just up there it seemed looking down at a perfect map of the city - then we began that turning business again. I looked at the clock on the switch board. We had been up just fifteen minutes. The barometer registered well over 2000. We negotiated the turn and started back for the aviation field. I was glad we were headed for home. I asked myself "Bland, would you rather be up here, or right back down there with your feet on terror firmament?" - - - Uhhhh - - - oohh - - - the machine dropped right clean from under me - - - Goodbye world - God forgive all my sins - can't for the life of me think what they are but forgive 'em anyway - but was right back up under me in less than the fraction of a second. - - An air hole - I jammed my left shoulder back up under the lip of the cockpit, took hold of the bottom of the seat with my right hand, took with my left a firm grip of the upholstered leather edge of the cockpit - determining that if that flying devil of an angry hornet was going to drop again I was going to be sure to go with it. -

We were still climbing - speed 80 miles - 8 bells and all's well - the damned indicator on that barometer was twiddling around between 2500 and 3000 feet - God save us one and all. We passed back over the tartar city wall, swerved toward the east, - people below were mere dots. I could see the facade of the Lien So Fan Tien (Wagons City Hotel, my abode) and over in the San Kwan Miao I could

NORTH
↑

Calder's HOUSE →



This is the street leading to west entrance of P.U.M.C.

← WEST

This street is not navigable for motor cars in wet weather with Morrison Street and Ti Tze Hutung should be used Follow dotted line

HUANG CHENG KEN

HSIAO Tien Shui Ching

EAST →

HSIA KUNG FU

PEKING HOTEL

MORRISON STREET

TUNG CHANG AN CHIEH

Italian glacis

SOUTH
↓

Sorry to have left the last few
pages of this report at home but the
enclosed will give enough general idea.

act

Provinces of Chihli, Shantung and the Special Administrative Districts of
Jehol, Chahar and part of Suiyuan.

The Nanking Government has direct control of Kiangsu, Chekiang, Fukien,
Anhui and Kiangsi and indirect control of Kwantung Kwangsi, Yunnan, Kweichow,
Szechuen, Hupeh and Hunan (except a small portion in the Southwest of the
province), as well as the Provinces of Honan, Shensi and Kansu under General
Feng Yu-hsiang and Shansi under General Yen Hsi-san who are allied to Nanking.

The Nanking Government was established on April 18, 1927 under the
auspices of Gen. Chiang Kai-shuk, with the object of shaking off the Russian
and Bolshevik influence which dominated the then Nationalist Government in
Hankow.

The history of the Nanking Government, so far, may be divided into four
periods: (1) April 18th to Sept. 17, 1927 a period of terror and financial
stringency; (2) Sept. 18th to Nov. 30, 1927 a period of War; (3) Dec. 1, 1927
to Feb. 8, 1928 a period of Party Descension and Reorganization and (4) Feb.
9, 1928 to _____ 192 .

During the first period of the history of the Nanking Nationalist
Government, the raiding of Bolshevik organizations and the elimination of
"Red" elements in all territories under Nanking's control, the assembly of
a financial conference at Nanking towards the unification of National Finance
and the preparation of the new Import Tariff Schedule intended for enforce-
ment on Sept. 1, 1927 occupied the most attention of political observers.
Meanwhile, the military situation was grave. The northerners continued for
the major part of this period bombarding the City of Nanking from across
the Yangtze River. The Wu-Han forces continued to press down River and
gradually took over from Nanking's control a large portion of the province
of Anhui until they were ready to move on Nanking. Gen. Chiang Kai-shuk was
forced to resign his position as Generalissimo of the Nationalist Armies and
beat the country for a trip in Japan in order to give his enemies within the
Nationalist Party no excuse for attacking Nanking with troops under General
Tang Seng-chi from Hankow. A conference was called at Nanking from September
15th to 20th, 1927 for the re-unification of the Kuomintang or Nationalist
Party and the maintenance of the Nanking Government.

Political Situation in China Around Feb. 10, 1928.

At the time of writing, China is divided under two central governments; one in Peking with Marshal Chang Tso-lin as dictator and the other in Nanking under the control of the Kuomintang (Nationalist Party of China).

The Peking Government represents "old China" and Nanking represents the "New".

Peking has control of The Three Eastern Provinces (Manchuria), the Provinces of Chihli, Shantung and the Special Administrative Districts of Jehol, Chahar and part of Suiyuan.

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The second period of the history of the Nanking Government began with the arrival of the Kuomintang leaders from Hankow to Shanghai for a preliminary conference with other leaders of the Kuomintang for the re-unification of the Party. The Radical elements of the Hankow faction, however, did not come down to participate in the said conference, for the Hankow Government was then also divided on account of financial stringency resulted in the silver embargo both at Hankow and Shanghai. The Kuomintang leaders of Hankow had long gotten disgusted with the dominating gestures of the Reds under the leadership of their Soviet Advisor Comrade Borodin and gladly seized the opportunity created by the resignation of Gen. Chiang Kai-shuk from his offices to come down river for a place in Nanking where Dr. Sun Yat-sen, founder of the Chinese Republic and late leader of the Kuomintang, wanted the Nationalist Government to be seated. Instead of a reconciliation between the Nanking and Hankow Kuomintang leaders alone, however, suggestion was made and agreed upon by both the Nanking and Hankow factions of the Kuomintang to invite members of the Western Hills faction of Shanghai to participate in the Sept. 15th to 20th, 1927 conference. To make it clear, the Western Hills faction of the Kuomintang of Shanghai were those leaders of the Nationalist Party who held a conference at the Western Hills of Peking immediately after the death of Dr. Sun Yat-sen to oppose the acceptance of Soviet elements into the Kuomintang. These persons were, however, considered by the majority of the Party as Conservatives and unloyal to the wills of Dr. Sun Yat-sen and were consequently expelled from the Party. They, themselves, however, were firm in their decisions against the "Reds" and maintained a separate Headquarter of the Party in the French Settlement of Shanghai. Now that since both the Nanking and Hankow leaders of the Kuomintang had come to the realization of Soviet danger to the Kuomintang, they were both willing to reconcile with the Shanghai faction who were first to oppose to the Soviet Reds.

After their preliminary conferences in Shanghai, leaders of the Nanking, Hankow and Shanghai factions of the Kuomintang went together to Nanking about the 20th September 1927 and formal conferences were held which resulted in the organization of the Central Special Administrative Committee and a new Government was set up in Nanking. Before the new government could get to its feet, however, the Northern troops under Generals Chang Chung-chang and Sun Chuan-fang had almost captured Nanking, the seat of the Nanking Government. It was on Oct. 17, 1927 when Gen. Sun Chuan-fang's forces crossed the Yangtze below Nanking and occupied strategic points south of the river seriously endangering the position of the Nationalists in Nanking. Meanwhile, the "red" forces under Gen. Tang Seng-chi were pressing down river in cooperation with the northerners. It took Generals Ho Yin-ching, Li Chung-jen and Pei Chung-hsi, the then only three young military followers of Gen. Chiang Kai-shuk, about a week's desperate fighting to restore Nanking to safety. The new Government under the Central Special Administrative Committee of the Kuomintang was formed to tie the situation over to December 1, 1927 when the 4th Plenary Session of the Joint Meeting of the Central Executive and Central Supervisory Committees was to be held.

The outstanding achievements of the Nanking Government during the second period of its existence were the victories over the northern forces in Northern Kiangsu driving them back into the Province of Shantung and over the "Red" armies under Gen. Tang Seng-chi resulting in the overthrow of Tang and the capture of Hankow and all of Hupeh Province for the Nationalist Government by Generals Chen Chien and Pei Chung-hsi. The financial situation of the Nanking Government during this period was very obscure since Kwangtung stopped to remit the monthly sum of \$4,600,000 to Nanking after Gen. Chiang Kai-shuk's resignation and Anhui and Chekiang had very little to send to the Nationalist Treasury either. What made matters worse was the loss of confidence in the Nationalist course by the people of Kiangsu. Shanghai merchants and financial circles were reluctant in the subscription to any loan bond issue proposed by Nanking. The Sixty Million Salt Surplus Loan bonds failed to come through and the \$24,000,000 additional loan on the 2.5% Import Surtax of Shanghai met with very little success.

Towards the end of the second period, disastrous events took place in Nanking and Canton. In Nanking, students and civilians were massacred during a parade for their opposition to the existence of the Central Special Administrative Committee and on November 17, 1927 a coup d'état took place resulting in the overthrow of the Canton authorities who were friendly to Nanking and the installation of radical elements under the leadership of Generals Huang Chi-hsiang and Chang Fat-kwei who were bitterly opposed to Nanking. Not long after that, Dec. 11, 1927, an awful Bolshevik uprising took place in Canton resulting in enormous fire, general massacre and all sorts of terror in Canton and the establishment of a Soviet Government at Canton.

The third period of the history of the Nanking Nationalist Government began with the assembly of the 4th Plenary Session of the Central Executive and Central Supervisory Committees of the Kuomintang. A preliminary conference was first called at Shanghai on Dec. 3, 1927 but the members of the Central Executive and Central Supervisory Committees belonging to the various factions of the Party did not come to terms until the end of December when formal meetings were convened at Gen. Chiang Kai-shuk's residence in the French Settlement of Shanghai from Dec. 22 to 27th of that month. Gen. Chiang returned to Shanghai from Japan towards the end of November and got married with Miss Soong Mei-ling, the youngest sister of Madame Sun Yat-sen, on Dec. 1, 1927. The most important result of the preliminary conferences of the members of the ~~member~~ central committees were the reinstatement of Gen. Chiang Kai-shuk as Generalissimo of all Nationalist forces on land, on water and in the air and Gen. Chiang's declaration of severance of relations with Soviet Russia. The formal conferences of the 4th Plenary Session of the Central Executive and Central Supervisory Committees were scheduled for Jan. 1, 1928 but internal trouble in the Nationalist Party prevented the calling of such an important session in Nanking until Feb. 3, 1928. In the meanwhile all government functions at Nanking were at a standstill.

The 4th Plenary Session of the Central Executive and Central Supervisory Committees covered a period of six days. The major part of the work of the conferences had been completed outside the conferences and before the convention. The mistrust and internal descension in the Kuomintang Party had been gradually removed through the efforts of Gen. Chiang Kai-shuk and several of his close friends. The results of the conference have been satisfactory. The outstanding achievements of these conventions are:

- 1.- A definite decision of severance of diplomatic relations with Soviet Russia.
- 2.- A clear cut definition of Nationalist foreign policy; i. e. to obtain for China freedom and equality in the family of nations by peaceful negotiations and in case of necessity all demonstrations by the people of the country regarding diplomatic affairs must be placed under the central unified control and direction of the Nationalist Government.
- 3.- The alleviation of the people to better means of living. The Kuomintang leaders confessed to the public its mistake in burdening the people and decided on a constructive instead of a destructive policy in internal administration.
- 4.- For the sake of better administration, branches of the Political Council of the Kuomintang will be maintained at Canton for the administration of Kwangtung and Kwangsi, at Hankow for the administration of Hupeh and Hunan, at Kaifeng for the administration of Honan, Shensi and Kansu, and at Taiyuanfu for the administration of Shansi and Suiyuan. These branches of the Political Council will be organized with prominent persons of the locality under the directions of the Central Political Council which will function in these provinces only through the respective branch offices. All other provinces come under the direction control of Nanking.
- 5.- The reorganization of the Nanking Government which is believed to have the respect of all factions of the Kuomintang and will be powerful enough to direct affairs in all Nationalist territories. The Government Committee is composed of 16 members of high standing with Gen. Tang Yen-kai (who represent his immediate subordinates Generals Chen Chien and Lu Ti-ping and the military leaders in Western Hupeh and Hunan as well as Szechuen and Kweichow), Dr. Tsai Yuan-pei (representing the educational circle in the country and closely related to Gen. Chiang Kai-shuk in policy), Gen. Li Lieh-chun (a senior Cantonese military leader who has intimate relations with both Gen. Chiang Kai-shuk and Gen. Feng Yu-hsiang, being once acting in Feng's place in control of the North Western forces, whose past career commands respect with all Kuomintang members), Mr. Chang Ching-chiang (old Kuomintang leader who sacrificed his whole fortune for Nationalist cause in the days of Dr. Sun Yat-sen and is highly educated and commands respect by all concerned) and Gen. Yu Yui-jen (famous Shensi General who was recently in command of Gen. Feng Yu-hsiang's forces in Shensi and is himself also a well known scholar) as the standing committee of the Nanking Government Council. Gen. Tan Yen-kai was elected Chairman of the Nanking Government Council.

5. The reorganization of the Military Council, with a membership of 73 including practically all the military leaders of the Party that commands an army under (3 divisions of men) under the Nationalist flag. These persons are on the Council but in name. The actual wheels of the ship are in the hands of a standing Committee of 10 persons, namely, Generals Yu Yui-jen, Pei Chung-hsi, Li Tsung-jen, Ho Yin-ching, Chu Pei-teh, Feng Yu-hsiang, Yen Hsi-san, Tan Yen-kai, Chiang Kai-shuk and Admiral Yang Shu-chuan, with Gen. Chiang Kai-shuk as Chairman of the Council and concurrently Generalissimo of all of the Nationalist forces on land, on water and in the air. For the speeding up of the Northern Expedition, Gen. Chiang Kai-shuk is empowered to dictate to Gen. Yen Hsi-san in regard to the Shansi forces, to Feng Yu-hsiang in regard to the North Western forces (Kuominchun) and to Admiral Yang Shu-chuan in regard to the naval forces as well as to all other directors and commanders-in-chief of the various route armies under the Nanking, Hankow and Canton factions. All have issued circular telegrams to people in the country and to Gen. Chiang subordinating themselves to Gen. Chiang's command.
6. The calling of the 3rd National Congress of the Kuomintang on August 1, 1928 was decided at the 4th Plenary Session of the Central Executive and Central Supervisory Committees. In the meantime, all members of the Party will be re-registered and all bad elements eliminated from membership in the Party.
7. The resolutions passed by the Nanking and Hankow Governments before the convention of the 4th Plenary Session of the Party are now under further consideration of the Central Executive Committee at Nanking for correction and recognition by the whole Party as represented by the present central authorities at Nanking.

On the whole, the results of the recent conferences of the Kuomintang leaders at Nanking have been very satisfactory. Gen. Chiang Kai-shuk has been able to unite the various factions of the Party and has the support of all Nationalist military leaders at least for the time being.

Two more points worth special attention are: (1) the injection of Feng Yu-hsiang's representatives in active administrative affairs of the Nanking Government. By marrying Miss Soong Mei-lin, a close friend to Miss Li Teh-chuan formerly a leading Secretary in the W.W.C.A. and now wife of Gen. Feng Yu-hsiang, Gen. Chiang secured the assured support of Feng in Nationalist cause and Feng, after his recent success in North China, takes more interest in affairs in Nanking, too.

*Chiang Kai-shuk's eldest son (Chiang Wei-kw) married
Feng Yu-hsiang's eldest daughter at Moscow in Nov. 1927.*

The leaders of the Kuomintang agreed at the 4th Plenary Session to give recognition to the existence of the Political Councils at Canton, Hankow, Kaifeng and Taiyuan which will be regarded as branches of the Nationalist Government Council and Nanking will govern the provinces of Kwangtung and Kwangsi only through the Political Council at Canton, the provinces of Hupeh and Human through the Political Council at Hankow, the provinces of Honan, Shensi and Kansu through the Political Council at Kaifeng and Shansi and Suiyuan through the Political Council at Taiyuanfu. The other provinces under Nationalist jurisdiction will all be governed direct by Nanking. In other words, Generals Li Chai-sum and Chen Min-shu will be consulted in regard to Canton, Generals Chen Chien and Pei Chung-hsi in regard to Hupeh and Human, General Feng Yu-hsiang in regard to Honan, Shensi and Kansu and Gen. Yen Hsi-san in regard to Shansi and Suiyuan. These local Political Councils will compose of men of the respective localities who would be in a better position to understand local problems. So much about Political conditions, we shall turn to the military situation in the country and state them in brief terms.

2. Military Situation.

With the settlement of the capture of Chechow in the Northern section of the Peking-Hankow Railway by the Fengtien forces and the capture of Weihweifu on the Peking-Hankow Railway north of the Yellow River by Feng Yu-hsiang's armies, the two opposing forces came into direct contact near Shihchiachuan, the junction of the Peking-Hankow and the Cheng-Tai Railways south of Paotingfu. The arrival of large shipments of arms and munition at Tsingtao and Mukden for use of the Northern armies from Europe have much strengthened the position of the northerners in the Peking-Hankow Railway Zone but much of the position of the northern militarists depend on the fate of Chang Chung-chang in Shantung along the Tientsin-Pukow Railway line. Gen. Feng Yu-hsiang's men, according to current news reports, have ~~suffered~~ suffered slight reverses near Tamingfu but real encounter between the northern forces and Feng Yu-hsiang's men has not yet begun. To save the situation, Gen. Chiang Kai-shek left Nanking immediately after the close of the Kuomintang Conferences (left Pukow on Feb. 9th) to prepare for a general drive into Shantung. The military situation in Southern Shantung are about the same as obtained at the beginning of December 1927 but new developments of vital importance will soon be seen in both Southern and Western Shantung.

Down in the Kwangtung Province, military activities seem to have come to an end for the time being. The radical armies under Gen. Chang Fat-kwei who were recently drove out of Canton have now been forced up to Southern Kiangsi. With their arrival there, bolshevik (rather Communistic) elements have become active and bandits are making more troubles too. Gen. Li Chai-sum, however, does not seem to be much favoured by the people of ~~that~~ Kwangtung. The real master of Canton

is Chen Ming-shu, a Cantonese general but Chen will not betray his superior Li Chai-sum.

C O P Y

CHINA ELECTRIC COMPANY

PEKING, November 10, 1925.

American Trading Company,
Shanghai.

Peking Committee of the American Material
Creditors of the Chinese Government

Gentlemen,

With the opening of the Special Tariff Conference in Peking on October 26th, and the publication in the press of the various proposals which have been submitted by the Delegates of the various nationals represented, with which matter you are doubtless familiar, it is thought advisable at this time to summarize the action which your Committee has taken and results accomplished.

Six meetings in all have been held beginning on September 7th and in general continuing weekly, the last meeting being held on November 4th. Your Committee have been in constant touch with the New York Committee of the American Material Creditors, and have acted in accordance with the suggestions of the New York Committee, transmitted, either directly or through Mr. Meyer of Andersen Meyer & Company, who has recently returned from the States. Although the Peking Committee, as originally organized, comprised only the representatives of those firms which were members of the New York Committee, it was felt that much greater good might be accomplished by including in the Peking Committee representatives of all American material firms that had submitted statements of accounts to the office of the Assistant American Commercial Attache. The Peking Committee have been empowered to act for all such firms, with the exception of the Standard Oil Company, who advised that their claims were being properly cared for, and the Wuchang Trading Company, the Singer Sewing Machine Company and Ault & Wiborg China Company, from whom no replies have been received. The Peking Committee, therefore, were authorized to speak for the following:

United States Steel Products Company
American Trading Company
Robert Dollar Company
American Locomotive Sales Corporation
Andersen Meyer & Company
Baldwin Locomotive Works
Fearon Daniel & Company
China Electric Company, Ltd.
W. W. Fowler & Company
General American Car Company
Vacuum Oil Company
T. M. Wilkinson & Company
E. W. Frazer & Company
American Metal Company

In the various conferences which have been held, your Committee has had primarily in mind the desirability of securing preferential treatment in connection with the American material claims against the Chinese Government, irrespective of the nature of consolidation of debt, funding or such other means of payment as might be determined upon by the Conference. As directed by the Committee, Messrs. Faxon and Rhame called upon the American Delegates to the Special Tariff Conference, Messrs. Strawn and MacMurray, for the purpose of presenting to them the desires of your Committee, and we are attaching copy of a letter which was sent to them under date of November 4th, following our interview, and Mr. Strawn's reply of November 6th. Our interview with Messrs. Strawn and MacMurray took place at the American Legation on the afternoon of November 3rd, at which were present Messrs. MacMurray, Strawn, Evans, Faxon and Rhame. As one of the spokesmen for the Peking Committee, Mr. Faxon opened the discussion. Mr. Strawn in reply stated that the facts were fully known to him and that he was well informed regarding the entire situation. He went on to state that it would be out of the question at this stage of the Conference to introduce the question of payment of debts by the Chinese Government until the broader questions of procedure had been determined. When asked whether, in the event of some plan being ultimately reached leading to the consolidation of China's indebtedness, any distinction could be made between material debts and loans, we were given to understand that there was not the least chance of any such distinction being made, and it was intimated that the only recourse open to such suppliers at the present time was to do the best they could to secure payments of the amounts owed them directly from the debtor.

As it was our understanding that both the British and Japanese material creditors had written their delegations requesting preferential treatment for materials supplied, it was thought advisable to bring officially to the attention of our representatives the desires of the American material Creditors, and our letter of November 4th was accordingly prepared.

We have had certain informal discussions with certain of the advisers to the American Delegation, in connection with the American proposal, as outlined at the opening of the Convention, and we believe it may be of interest to you if we analyze the plan at some length. The text in parentheses () are comments made by such advisers. We suggest:

PROPOSAL OF AMERICAN DELEGATION

1. That "The Chinese have asked, in Dr. Wang's speech at the opening session of this Conference, on October 26th, that the Powers declare their respect for the principle of China's tariff autonomy and agree to the removal of tariff restrictions contained in the existing treaties. They have affirmed that it is the intention of the Chinese Government to abolish likin. They have asked that interim surtaxes be

levied and that agreements which may be concluded at this Conference shall be made effective at an early date."

(The last clause mentioning "an early date" was inserted on account of the fact that the Chinese have not forgotten the delay on the part of France in the ratification of the provisions of the Washington Conference due to the Gold Franc Case)

"Desiring to follow out as closely and as far as possible the program which has been proposed by the Chinese Delegation and hoping that this Conference may arrive at agreements which may make possible realization of China's aspirations and at the same time safeguard the legitimate interests of all Powers and people who will be affected:

"We are prepared, in accordance with the provisions of the Washington Treaty, to authorize at once the levying of the surtax of 2-1/2%, and as soon as the requisite schedules can be prepared, to authorize the levying of a surtax of 5% on luxuries."

(This is as stipulated in the Washington Treaty)

"We are prepared to proceed at once with the negotiation of such an agreement or agreements as may be necessary for making effective other provisions of the Washington Treaty of February 6, 1922."

(These provisions include provision for the abolition of likin, etc.)

"We affirm the principle of respect for China's tariff autonomy and are prepared to negotiate a new treaty that shall give effect to that principle and which shall make provision for the abolition of likin, for the removal of tariff restrictions contained in existing treaties, and for putting into effect of the Chinese National Tariff Law."

(The principle has been established that the abolition of likin and customs autonomy must be concurrent and the enforcement of this principle has been provided for later on in the schedule)

"To carry out the provisions of the Washington Treaty, and at the same time to proceed with the larger program contemplated, we suggest:

1. That the Powers, other than China, authorize the levying of a surtax of 2-1/2% to be effective on all goods on February 1, 1926, and that there be prepared immediately a schedule of luxuries upon which a rate of 5% shall be authorized to be effective not later than July 1, 1926.

(The "treaty" herein referred to is the "new treaty" mentioned at the beginning of Section 2. The increased rates are to be on a graduated scale and shall be determined according to the nature and value of the goods in

The increased revenue thus derived shall be held by the Customs Administration subject to such disposition as may be agreed upon by this Conference.

(The portion underlined above refers to the virtual impounding of the surplus to be derived from the increased Customs tariff, amounting to approximately M\$30,000,000. This is done as a means of testing the good faith of the Chinese as regards the effective abolition of likin. This question is referred to in Article 5 of Section III of this plan, and simply means that if, in any Province or District likin is not effectively abolished, the amount due such Province or District, in lieu of likin, will be retained by the Customs Administration. A definition of the term "likin abolition", which has not yet been generally accepted except by the American and British Delegates, is as follows: "The permanent abolition of likin, including all forms of taxation on merchandise in transit, and other analogous taxes restrictive of the free circulation of commodities" and the permanent abolition of all existing likin barriers, native customs houses and other stations for the collection of such taxes." The other analogous taxes just mentioned are supposed to include octroi, landing, destination, road, procedure taxes, etc., but exactly what would be included in the event of the adoption generally of the foregoing definition would, of course, be a subject of discussion)

2. That provision shall be made for the levying of the full amount of these surtaxes at the land frontiers.

(This would result in the abolition of the special discounts of $33\frac{1}{3}\%$ of the normal customs dues not enjoyed by Japan in the case of goods imported through Korea, and by Russia on goods imported or exported by the Chinese Eastern Railway)

3. That a new treaty be made which shall provide:

1. Three months after the treaty here concluded shall come into force, the Chinese shall be at liberty, as an interim measure, and until tariff autonomy shall become effective, to impose a new and uniformly enforced schedule of duties at rates from 5 percent (the present rate) to $12\frac{1}{2}$ percent on imports, and from 5 percent (the present rate) to $7\frac{1}{2}$ percent on exports.

(The "treaty" herein referred to is the "new treaty" mentioned at the beginning of Section 3. The increased rates are to be on a graduated scale and shall be determined according to the nature and value of the goods in question).

2. That from the same date, the rates of duty levied on all land frontiers shall be the same as those levied at the maritime frontiers.
3. That the increase of the Customs revenues derived from putting into effect these provisions shall be accumulated by the Customs Administration and applied for the purposes hereinafter specified.
4. That likin and related internal taxes which may be agreed upon shall be abolished.
5. That for the purpose of abolishing likin, funds from the Customs revenues shall be apportioned among the Provinces in lieu of likin.
6. That if likin be collected anywhere in violation of the agreements entered into for its abolition, the taxpayer shall be entitled to a refund from the Customs Administration of the full amount which he has paid as likin.

(Both 5 and 6 are referred to in the discussion which was given under Article 1)

7. That the increase in the Customs revenues derived from the increase in rates of duty shall be devoted to the following purposes:
 - a. Compensation to the Provinces in lieu of likin (See 3 above)
 - b. Payment of rebate charges (See 3 above)
 - c. Refunding of the unsecured debts.

(In case (a) becomes inoperative, then (b) would likewise, and the entire surplus would then become available for (c))

- d. Administrative expenses of the Central Government.
8. That, subject to the fulfillment of the provisions of Articles 4, 5, 6 and 7 above, the present treaty restrictions on the Chinese tariff shall cease to be effective, and the Chinese National Tariff Law shall come into force on January 1, 1929, as suggested by the Chinese Delegation.

9. That an effort be made to devise a plan whereby it may be reasonably expected that this treaty will go into force at an early date after signature.

10. That if proposed by the majority of the contracting Powers before January 1, 1928, there shall convene on May 1, 1928, a Conference of representatives of the contracting Powers for the purpose of deciding whether likin has been abolished, and to negotiate any further agreements that may need to be arrived at with regard to the subject matter of this treaty."

The foregoing plan has not yet been accepted, but has been laid before the Conference as indicating the ideas of the American Delegation, and, we understand, that the British agree, at least in principle, with this plan, but that the Japanese and many of the Chinese do not. As you are probably aware, the plan suggested by Mr. Hickl contemplates "the inauguration of a Chinese statutory tariff for general application, together with special tariffs on certain limited articles which are to be agreed upon by separate treaty between China and interested Powers. While the statutory tariff is to be made by China freely as she pleases, such tariff should be so devised as not to hurt the trade relations between China and other countries."

Nowhere in the Japanese plan is any provision made for effectively abolishing likin, as is provided for in the American plan, while the American plan specifically proposes that the Customs surplus shall be kept by the Customs administrations, and that payments in lieu of likin shall be made to such Provinces as have demonstrated that likin has been abolished. No such restrictions appear in the Japanese plan. In our opinion this has naturally prejudiced many of the Chinese Delegates in favor of the Japanese proposal.

One other point to which your Committee desires to call particular emphasis, is that we understand that our Government is definitely committed to the policy that no differentiation shall be made in any application of debt service funds as regards preference of service on foreign debts over domestic debts. The present status of unsecured foreign debts, converted into local currency is as follows:

Japanese.....	\$ 370,000,000
America.....	60,000,000
Great Britain.....	60,000,000
France.....	20,000,000

In addition, there is approximately \$83,000,000 miscellaneous outstanding which brings the grand total up to \$593,000,000. The service on this amount alone, on the basis of 8% interest and 2% amortization, would require an amount of between \$50,000,000 and \$60,000,000 per year, and it is doubtful whether the surplus contemplated under the present proposals will reach much more than \$30,000,000. As you are doubtless familiar with the domestic loan situation, it is difficult to see how much the material supplier is going to get out of an arrangement which contemplates consolidation of domestic as well as foreign indebtedness.

Our attention has been called to the discussions which have followed the Japanese proposal, in which reference is made to a moratorium of approximately 3-1/2 years in connection with the payment of all unsecured debts, which would indicate that if either the American or Japanese proposals are accepted, no relief may be expected prior to 1929.

From a consideration of the foregoing, your Committee feel that in the present stage of the negotiations, there is nothing particularly hopeful that may be held out to the American material creditors. We trust, however, that as the Conference proceeds, it may develop that greater consideration will be given to the question of the foreign unsecured debt, particularly the foreign material debt. This matter will be closely followed, and we shall not fail to advise you if it appears that anything may be accomplished by united action of the Peking Committee. It does not seem, however, that anything further can be done at the present time, and we have accordingly discontinued our weekly meetings subject to the call of the Chairman.

Very truly yours,

(Sgd.) H.C. Faxon
Chairman

Peking Committee of American
Material Creditors to the
Chinese Government.

(Sgd.) J.P. Rhame
Secretary

Peking Committee of American
Material Creditors to the
Chinese Government.

COPY

AMERICAN DELEGATION
SPECIAL CONFERENCE ON THE CHINESE CUSTOMS TARIFF
PEKING

November 6, 1925.

H. C. Saxon, Esq.,
Chairman, Peking Committee of American Material
Creditors of the Chinese Government,
Peking, China.

My dear Mr. Chairman,

We have your courteous favor of the fourth expressing
the wishes of the Peking Committee of the American Material Creditors
of the Chinese Government.

We carefully note what you say and will endeavor to
keep continuously in mind the wishes expressed by you.

Yours very truly,

(Sgd.) Silas H. Strawn

SIS-AT

submitted. This fact means that Miss Smith has put in an enormous amount of overtime in an effort to keep up her assignments of commodity reporting on Chemicals, Automotives, Highways, Rubber, et cetera.

2. At the time the amalgamation of offices occurred, it was anticipated that the personnel doing Commercial Attache's category of duties would be performed by the then existing staff brought over by the Commercial Attache and by Commercial Consul Horace Smith, whose office was merged with the new "set-up". The contemplated personnel therefore consisted of the following: Arnold, Calder, A. Viola Smith, Horace Smith, and Howard. On my return here on April 19, 1940, that was, in fact, the set-up, except that Horace Smith was already working in with Mr. Dawson on agricultural subjects, besides keeping up the several types of work he was doing in the Commercial Office of the Consulate General under the old "set-up".

In May and June, 1940, it became clear that Horace Smith was no longer to perform any work related to the Commercial Attache's schedule but was to devote his entire time to work on agricultural subjects under Mr. Dawson's direction, a situation which continued until September, 1940, when he went home on leave. In May and June, 1940, Mr. Arnold went to Hong Kong and Chungking, being absent seven weeks. In June, 1940, Mr. Howard was designated to go to Peiping to pursue language study. In September, Mr. Arnold retired and left China. In July, 1940, I believe it was, Mr. A. T. Rowe, Jr., Vice Consul, was assigned to the reporting section to replace Howard, but because of his unfamiliarity with this type of work and with the background necessary to carry it on, he could scarcely be regarded as a replacement, particularly as I would not regard him as especially adaptable to commercial and economic work, though well grounded in many other phases of Consular work and procedure.

A year ago, the Commercial Attache's secretary, a person thoroughly capable and experienced in foreign service work generally, Mrs. Coleman (formerly Miss Mertsy), resigned and left for Australia and the United States. Also a large part of the time of Miss Elizabeth Rodgers, (who had formerly been free to devote her entire time to servicing officers of the Commercial Attache's staff by digging up research and reference material and old files, and whose background of knowledge of the Commercial Attache's work over a period of years was thus most valuable), was, by virtue of the merger, taken up with the duties

of chief clerk, servicing all in the newly created R.S., which included the Agricultural Attache's office. This meant that very little of her time could be devoted to rendering the same kind of assistance as formerly. The multitudinous duties of attempting to service the entire third floor of the building and still conscientiously trying to do some things for the Commercial Attache's staff nearly ruined her health. However, you will recall, even after she well nigh broke under the strain and had to be hospitalized for a time, the burden was not eased by the replacement of a Commercial Attache's secretary, -- at least not for some months, and then only upon the addition of the Export Licensing work to the Commercial Attache's duties (June, 1941). The replacement was by a person of far less experience and training than Mrs. Coleman possessed.

In short, the situation whereby the work as scheduled was to be performed by a highly trained commissioned staff consisting of ARNOLD, CALDER, VIOLA SMITH, HORACE SMITH and HOWARD, with at least the Commercial Attache having a high-class full time secretary drifted into the state where there remained to perform these duties only

CALDER, VIOLA SMITH, and a Vice Consul untrained and unadaptable to this work, with the high-class full time secretary removed, or rather not replaced.

If you were to consider this situation in contrast to years prior to 1937 when possibly only one-third of Miss Smith's time was taken with China Trade Act work, and to consider also that Mr. Rowe scarcely constituted a replacement for Mr. Howard, and to consider also that the reporting section was expected to perform all the functions of the former Commercial Office of the Consulate General, plus the augmented China Trade Act work, the net result has been that the Commercial Attache's category and schedule of work, plus the Commercial Office's functions, formerly performed by SIX commissioned officers was finally left to be performed by only TWO officers (Calder and A. Viola Smith) BUT, if it had not been for Miss Smith's willingness to put in the long overtime hours on commercial reporting work -- in addition to Code Room work when required -- the Commercial Attache's array of work would have been left for only one and one-tenth commissioned officers time to perform (i.e. all of Calder's time and the one-tenth of Miss Smith's time left after taking care of the China Trade Act work.)

With Mr. Hunt's replacement of Mr. Rowe, the situation is a little improved, because of Mr. Hunt's previous familiarity and training in commercial work, but his lack of experience in China is a handicap which can only be remedied by his securing that experience. In due course, it is to be hoped, he can take more responsibilities, but so far it has been necessary for me (Calder) to spend some time coaching him on various situations peculiar to China and to review and to discuss a great deal of his work with him in order for it to pass muster. The benefits of the addition of a new officer thus do not become a reality until some months after the physical addition of such an officer -- indeed it is a drag upon the officer who is obliged to supervise his work.

Commercial Attache should do a certain amount of travel every year, but especially is this true at this time, due to the present upheaval

3. Certain other physical handicaps have cut down on the ability of the staff, such as it has been, to turn out the work. Not the least of these has been that those doing the clerical work for the Commercial Attache, as well as the chief clerk for the reporting section, have been located no less than 50 yards distant from the Commercial Attache's desk, a situation which we are endeavoring now to remedy in the rearrangement of the space. reporting which Miss Smith has carried on, largely after office hours. Miss Smith is scheduled to
5. In the past few weeks, since White has been assigned to this section, as a replacement for Mrs. Coleman, he has been getting some experience in the various forms of clerical work, and I have now put him on the chief clerk's desk, hoping that he will take a sufficiently great interest in that job to become of real value to the section in servicing the officers and keeping the routine moving. We are still to a large extent dependent upon Miss Rodgers for knowledge and advice in relation to the routine and I have instructed White to continue to follow her advice and absorb as much training as possible from her so that he can, after a time, perform the full range of duties which she performed as chief clerk. But, I have moved her up to Mr. Rowe's desk in the room next to the Commercial Attache so that Mr. Groves, when he arrives, may have a secretary "within arm's reach", so to speak.
6. Chinese clerks, Mr. Tung Hsing, who formerly devoted
4. It may appear to you, or possibly to administrative officers in Washington, that, with Mr. Grove's early anticipated arrival to assume the duties of Commercial Attache, our problems are all settled. I have not been through an experience of the sort before, but it would be my guess that Mr. Groves will want to lean heavily upon those of us who have had the years of experience and the background of training in this country for some

time while he is developing his own background of knowledge and experience of China. A shift from the Occident to the Orient is bound to require some time for adjustment to new conditions and circumstances. Miss Smith and I will, of course, aid him in all possible ways, but, in so doing, it is quite likely to cut down on our individual productivity, hence may reduce the output of aggregate work for a time. It would appear to me essential that he do a considerable amount of travel over China before he can expect to gain the background necessary for the performance of his functions. During such travel periods his work will naturally fall upon the officers next in line. As the Commercial Attache's duties are of national scope, it is patent that the Commercial Attache should do a certain amount of travel every year, but especially is this true at this time, due to the present upheaval which divides China into occupied and unoccupied territory.

5. Then, there is the question of Consul A. Viola Smith's leave. Any officer who takes over the China Trade Act work will find it a full time job, and while it is new and while he is gaining his groundwork in it, he will not be likely to have any time to do the range of commercial reporting which Miss Smith has carried on, largely after office hours. Miss Smith is scheduled to go on leave in October and her leave has been authorized. So you can count on our being short two men on the day she leaves, as I doubt whether any two men new to her China Trade Act work and to her commercial reporting work, and without her long years of background knowledge in both, could hope to perform her duties for the temporary period of her absence, with anything like the despatch or completeness with which she handles that range of work. It is preferable to have someone with legal training and background to take over the China Trade Act work, and another qualified officer for the commercial reporting work she is doing.
6. Giving consideration to items 4 and 5, I think you will agree that we are still greatly understaffed both as to qualified commissioned officers and clerical assistants. I would point out also that one of the highest qualified Chinese clerks, Mr. Tung Hsing, who formerly devoted his entire time to the work of the Commercial Office of the Consulate General and continued under the RS set-up to assist primarily Mr. Horace Smith, has lately been taken over into the agricultural staff by Mr. Dawson for full time work on agricultural subjects.

7. Naturally, as a result of the foregoing, the work of the Commercial Attache (as servicing the requirements of several departments of the Government and of the business community which has always looked to him and his staff for aid and advice) has suffered severely and is very much in arrears as to performance of schedule. I have already mentioned Miss Smith's overtime efforts. Naturally I have also put in a great deal of overtime effort in attempting to keep abreast of the most important of the demands. Always during the financial crises this has been necessary. After the addition of the Export Licensing work (on which Miss Smith and I had already been putting in considerable time prior to its being turned over to us to handle) I personally worked 31 days without stopping for a Sunday, a Saturday afternoon, or a holiday. Three commissioned officers could keep busy on this one subject full office time. The fact that Miss Smith and I both have a considerable background of knowledge of business organizations locally has made possible more rapid handling of cases than would be possible by officers unfamiliar with the business community. But despite our best efforts, a backlog has developed, and I am obliged to send some of the cases up to Mr. Clubb to handle.

1/ A careful study of the attached schedule of required work (to which export licensing and other war work and emergency inquiries are constantly being added) will, I believe, demonstrate that the Commercial Attache's portion of the office has been woefully understaffed. Special note should be made of the fact that the Commercial Attache's work is national in scope, much of our reporting is on a national basis, hence it is not a matter purely of making a few inquiries in Shanghai, getting up some Customs statistics and submitting a report on the basis thereof. Our reporting is much broader in scope and the experience of the officers grounded in many years of China service in commercial and economic specialization must be drawn upon to a large extent to make this reporting most useful and effective. Miss Smith and I both have travelled widely over China. Through the years we have sunk a good deal of our income back into our jobs in developing contacts and maintaining them.

8. There is no real economy in having a chronically overloaded staff. The work is of sufficient importance that officers should be provided with facilities for working less under pressure so as better to analyse facts in their bearing on trends. Under these conditions, the trade and economic work could be of greater value to the governmental and business interests concerned.

A. Bland Calder,
Assistant Commercial Attache.

Enclosure:

- 1/ Schedule of required work

MEMORANDUM

Assuming July 1st publication date for the first issue of the monthly, the following steps must be undertaken between now and then:

- 1) A quantitative and qualitative survey of material now coming into OIT from the field.
- 2) Quantitative and qualitative survey of all publications now issued by OIT.
- 3) Screening of all field and Commerce Building employees (by study of what they are presently writing) to ascertain which ones have latent editorial ability; basically the new publication must be built around this pre-disposed group.
- 4) Series of 3 or 4 seminars for geographic branch chiefs of areas divisions OIT on fundamentals of writing; same to be addressed by volunteer speakers of the type of Professor William Kempton, American University Department of Journalism, etc.
- 5) Survey of chart and graph making facilities of OIT to improve quality of graphic presentations of magazine.
- 6) Survey of OIT library of existing maps, glossy prints to improve news value and quality of photographs for publication; present photographs are static. Effort should be made to develop new photographic sources without cost and to train field personnel to supply newsworthy photographs with up to date time elements in reproducible glossy print form.
- 7) Preparation of a year's schedule of recommended lead articles for magazine which schedule could be assigned to the field, giving field men plenty of time to work up material.
- 8) Physical preparation in finished form of a backlog of up to three months of major content of magazine - namely, a "bank" of articles with requisite illustrations, etc.
- 9) Analysis of present circulation list of publication to find out exactly who we are now reaching and also to see who we are failing to reach in top U.S. Readership.
- 10) Consideration of small inexpensive circulation promotion campaign to widen quality of top readership; is publication available in Detroit Athletic Club, Yale Club of New York, Metropolitan Club of Washington, Union League Club and other top business meeting places? Analysis of present free list of publication for similar purpose.
- 11) Analysis of publicity set-up Department of Commerce as to what kind of publicity will be given articles in magazine and preparation of a publicity campaign, through Department of Commerce Information Office, on introduction of new magazine; consideration of whether number of top financial writers and syndicated columnists should not be added to free list for publicity purposes.

- 12) Definition of physical format of magazine including page size, number of pages, cover stock and color, paper stock, cover design, type faces for headings, sub-heads, body copy, size of screen of illustrations, quality of ink and possibility of use of colors in charts and graphs, all printing cost factors, lay-out of pages, all mailing cost factors; determination of optimum publication date and press closing dates in view of time schedule capabilities of writing staffs, the Government Printing Office, and mailing facilities.
- 13) The creation of an initial dummy dry run issue which is complete editorially and dummied up as to physical format and lay-out; this dry run to work out any bugs.
- 14) The production, preferably in final printed format (merely pasted up and not run through the press) of a second dry run issue which would be sent to the Secretary of the Department of Commerce for final approval of format; possibly these two dry runs might safely be consolidated into one, though two runs would be preferable.
- 15) Assuming the July 1st publication date it will be appreciated that copy for this July 1st issue would have to close by June 10th, and that the issue would have to be compiled, edited, and probably would have to be sent to the printer by June 15th-20th in order to be in the mails June 30th. Assuming that the various requisite processes outlined above are initiated February 15th, a time plan ~~for~~ of 3½ months is thus available for the activities requisite to transition from a weekly to a monthly. This would mean that the first dummy could be produced approximately April 1st, the final dummy approximately April 15th, the clearances with the Office of the Secretary effected in the April 15-May 1st period, and production of the completed first issue undertaken between May 1st and June 15th. This type of schedule, while tight, would appear to be within the realm of capability.

~~We should ask South East and South Asia countries to send us~~
~~technical aid.~~ Since the Western countries are ~~XXXXXX~~ endeavoring to render technical and capital aid to the underdeveloped countries of the world it is appropriate that they should reciprocate by sending technical aid missions to the over-de veloped regions. We need to be shown how people can get along less extravagantly, with less waiste, to live within our incomes, to get along with less clothing, food, gadgets and transportation, how to slow down in our mad pace, and take stock of ourselves as to whither we are trending.

we should not for our AMERICAN KNOWS LITTLE OF CHINA'S and unjust proceedings and sacrifice our commercial interests which have been built up in this country after years of hard efforts for the sale of American manufactured goods, under the most difficult commercial conditions imaginable.

PRESENT DAY TROUBLE

Great Britain's Wise Defence Contrasted

As American doing business in this country meeting a market for our goods, we had some very serious trouble there was a large number of American consulates that it became necessary for Americans to evacuate China, the following remarkable letter is by the head of an important American firm in Shanghai. While we withhold names, the sentiments expressed are undoubtedly shared by the overwhelming mass of Americans in China.

At least the headlines in the leading paper of the United States so indicate-which were received here by the last mail, reports that are so astonishingly incorrect and so far at variance with the real facts. Their publishers making no attempt to acquaint the reading public with the real cause of the present troubles in China, creating a very serious sentiment against our commercial progress in this country, when we take into consideration, these erroneous reports are forming an opinion in the minds of more than 100,000,000, of our people.

From statements emanating from Washington it is most evident that even the president, along with his secretary of State has been very ill advised and informed as to the real situation existing here at present, an unpardonable error when you take into consideration that it seriously affects our commercial interests and the progress and sale of our goods in this part of the world.

American's Want of a Policy

The chaotic conditions existing in China will astonish you to know, were brought about largely by the lack of a definite policy on the part of the United States Government toward the Asiatic, and our utter lack of how to deal with them diplomatically, Great Britain since the world's war had in a measure allowed the United States to assume the initiative in affairs pertaining to China. Until we made such a deplorable mess of it, they were again compelled to take the initiative and to act independently of the United States, who had practically refused to co-operate with her, and in so doing we were the cause of France, Japan and Italy standing aloof, with the result that all of the Powers are acting to-day independently, creating a very serious international situation, which is bound to affect our commercial progress and interests in China.

Our policy has not been sufficiently defined, besides our State Department and the members of Congress have not the real understanding of Asiatic affairs perience in dealing with them, our attitude has been at all times misinterpreted both by the Chinese and the Filipinos as weakness instead of a desire on our part to assist them in their national aspirations, and to lead them on the path of civilization, which is our sincere desire; however,

we should not for one moment give way to their insults and unjust proceedings and sacrifice our commercial interests which have been built up in this country after years of hard efforts in pioneering the way for the sale of American manufactured goods, under the most difficult commercial conditions imaginable.

Held Up to Ridicule

As American doing business in this country creating a market for our goods, we had cause to expect protection in our legitimate pursuits, but we received a very severe shock when the present difficulty first became acute in China, and there was very evident necessity for protection and a request was made that troops be sent to protect our interests. In reply we were informed by the American Consulate that if it became necessary for American to evacuate China, the Government would provide transportation to either Japan or the Philippines.

Imagine for one moment our feelings, the United State Government, one of the greatest if not the greatest nation in the world telling her subjects that it might be necessary for us to evacuate China. What disposition did the officials at Washington expect us to make of our interests? Did they expect us to turn it over to a howling mob? This attitude on the part of our Government held us up to ridicule by the subjects of other Powers interested in this part of the world, and not until very urgent demands were made upon our Government for protection, did we receive any assurance that same would be given. Later the President made a statement that American would be protected in their legitimate pursuits and would not have to evacuate China.

Borah a Menace

Later it was unofficially announced that Senator Borah and his followers were dictating a policy of noninterference in China, with the result the president and the Secretary of State were in a political deadlock with the Borah faction. It is very regrettable that Senator Borah is the senior Senator on the Foreign Ways and Means Committee, for his policy and radical utterances are a serious menace to the people of the United States, and most especially to its manufacturing interests and manufacturers interested in foreign trade and likewise their representatives who reside in this country. This individual should be banished from active political life back to his Idaho wheat ranch and for the remainder of his natural life and I feel confident that if the good people of Idaho only knew the unpardonable injury that he was doing to the United States' commercial interests, they would snow him under at the next election so badly, that he would never be able to dig out.

Pitiful Lack of Knowledge

It is pitiful the lack of knowledge that our would-be statesmen have regarding affairs of the moment in China. Senator Borah and others have made such ridiculous statements about the unjust treaties existing between China and other powers that the people of various parts of the world, and more especially the United States, are led to believe that we are treating the Chinese unjustly and holding them down, preventing them from enjoying their National aspirations, which is so far from the facts, and the actual situation, is directly contrary to these statements.

senator Borah may know how to run a wheat ranch in Idaho and talk its people into sending him back to the United State year after year, but he knows absolutely nothing about oriental affairs.

This lack of knowledge has been demonstrated recently, as we note by cable dispatches that Chairman porter of the House Committee on Foreign Affairs requested the Presedent to enter into negotiations with duly accredited agents of the Republic of China. This individual does not know that China to-day has no recognized head, that the various areas of the country are controlled by a number of military generals, who collect their own taxes from the people, make their own regulations, disregard treaty rights, and their principal business is that of gathering wealth for themselves.

A Serious Mistake

We note by despatches this morning that the House of Representatives has voted to authorize the President and the State Department to negotiate with China independently of other nations, which is a very serious mistake. The situation that exists here to-day is due to the lack of a co-operative movement on the part of all of the nations interested in a peaceful China. Our representatives and senators may be adapts in log rolling to get an appropriation through Congress for the building of a new faderal building post office and so forth at you-be-damned centre, but as stateamen capable of handling our foreign affairs, they are surely a disgrace to our greatness, and if you are interested in our future foreign trade, you should use your influence with your immediate Congressman or Representative to curb these utterances regarding unequal treaties, which are along the lines of red Russia's propaganda.

National Movement in China

You have read of course in your daily papers a great deal about China's National movement, the National army moving north from Canton. It may be a surprise to you to know there is no National movement, there is no National spirit, there is no National pride or a desire by the Chinese to start a National desire is "work and peace", 99.9 per cent. of her people only with to be left alone to work and carry on their commercial pursuits in absolute peace. The present unrest in China has been brought about by agitators and promoters of the so-called National movements, who are amassing enormous fortunes for themselves, and find it most profitable as the people are easily led and easy to contribute money for the promotion of their cause. Every military general in this country to-day is amassing a fortune for himself, they care nothing for the welfare of their people or the forming of a peaceful and staple Government.

Eugene Chen Moscow's Mouthpiece

In press despatches and scare headlines in your daily papers you have seen the name of Eugene Chen mentioned as the minister of Foreign Affairs for the so-called National Government, who recently took the city of Hankow from the British. This individual is nothing more than a mouth-piece of Michael Markovitch Borodin, Communist, Bolshevist, Atheist, spestic of Soviet Russia and her methods, He is the real promoter and director of this so-called National movement,

and without this individual and the unlimited funds supplied by Soviet Russia to create hatred against all established Governments, the present movement in China would fall like a house of cards.

If China Went Red

Great Britain and many of the prominent Chinese who think, realizing the advantages of our western civilization, know that this Red Russian movement must be checked in China, otherwise the country will be hopelessly lost, and will become a menace to the whole world. The wealthy Chinese have contributed millions of dollars to finance the campaign of education, pointing out to the ignorant people the serious effects of this Red Russian propaganda and to offset the Red workers who are in every city, village and hamlet of this country, many of these Russian agitators dress like the Chinese, speak their language with perfect fluency, live with the Chinese and are busy day and night sowing seeds of discontent and revolution against every established rule of right and justice. We all know that this condition must be stopped otherwise the nations of the world will have a problem to solve, which will cause the late world's war to pale into significance. When you stop to consider that China today is under the control of her various military generals in the neighbourhood of 1,000,000 fully equipped men, you can then realize what would happen if Soviet Russian is successful in turning China Red, and she has so far succeeded very admirably. Great Britain has seen this danger and fully realizing that action was necessary, she naturally turned to the United States who is equally interested in the undeveloped markets of this great country regarding a concentrated action against this growing tide of Red terror in China, but our Government has shirked her responsibility and refused to send an armed force to China, with the result that both France, Japan and Italy stood aloof. Therefore America is largely responsible for the present situation, and the future will prove very detrimental to our commercial interests.

British Force Just in Time

Great Britain now has in the neighbourhood of 10,000 troops stationed in the city of Shanghai, and I assure you that the first contingent of Indian troops here just in time, for there is no question but what this city would have been taken by the radical Reds fostered by Red Russian agents. As an American with considerable interests here, I surely feel grateful to Great Britain for the protection which we enjoy, living in the settlement guarded by her soldiers. This is a very pitiful situation that subjects of the United States should have to depend upon protection by a foreign government.

Commercially the people of United States have for the past 15 years talked foreign trade, heralded it to the world, breathed it, vibrated it, Government officials have encouraged it, and every sober-thinking manufacturer in the United States realized that the absorption point in our domestic markets would within the next few years be reached, after which we would have to turn to foreign fields for a market for our manufactured goods.

Therefore why should our Government lay down on a situation and refuse to send troops to protect a great potential market, and to assist in pacifying a situation, and by sending troops would by no means indicate that we intended to shoot up the populace.

Great Britain, United States, France and Italy have all definitely signified their sincere desire to assist China, but there is no possibility of assisting her until she establishes some form of Government with a recognized head which the powers can treat with and nothing is going to bring about a recognized head in China, until concentrated force is brought to bear by the various Powers.

Lack of Protection

Aside from this explanation of the present situation do not get the idea there is no business, that we have no protection. "Thanks to our British friends" we have ample protection, and the city of Shanghai is securely protected with 10,000 troops already here, fully that many more en route, and 20 men-of-war lined up in front of the city, which will assure absolute peace, and you can ship goods here with absolute assurance and safety, the only difference being that Shanghai is the distributing centre for practically two-thirds of China and no goods of any kind can move to interior points. Therefore we must content ourselves with supplying goods for local consumption. With a few months of quiet and assurance of no further trouble, this country would develop into a commercial EL Dorado, as the people are now anxious to purchase goods to replenish their stocks, likewise the people of the interior are without goods and anxious to buy, and the situation existing to-day might indicate that the next few months will see a solution of the present crisis due entirely to the semblance of force which has been supplied by Great Britain, and which the United States has refused to supply, and her attitude will reflect against our commercial advantage without any doubt.

We will be glad to give you an outline of the situation from time to time, as we feel that you are interested in knowing the facts.