

## Current Press Opinion on Far Eastern Affairs

### A Look Into the Promised Land

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Twenty-one years ago in a public address I called the attention of our American people to the position which they had attained in the Far East by the acquisition of the Philippines, and invited them from that point of vantage to look over into the Promised Land of China.

It is true that China is not entirely unoccupied but nevertheless there was then and fortunately there remains today an opportunity for our American people to possess themselves of the leadership in the trade and commerce of that great people as they now stand first in Chinese friendship and regard.

When our China trade first began it took a year, with good luck, for a ship to make a round trip. Now it is only eighteen days from New York to Shanghai and only about forty hours from Manila to Hong Kong. Since the islands have become American we should realize that China is really a neighbor of ours; and another thing that our people must learn is that the best brains and energy of the Philippines is in our citizens there of Chinese or largely Chinese blood and ancestry. Twenty-one years ago I expressed the hope that Chinese labor, guided by American brains, might yet accomplish all those vast enterprises that now exist only in the dreams of far-seeing men. It is still my hope that American brains and American capital will lead in the management of Chinese labor. You must see the danger to American industry that lies in the possible control of cheap Chinese labor by Japan, who is hostile to us, or by Great Britain, who is our greatest industrial competitor. If either the Japanese or the British should get control of Chinese industries they could close almost every American factory and drive American labor into pauper conditions.

The exclusion law, originally urged and supported by union labor, is preventing the importation of any of this cheap Chinese labor, but it is time for union labor to recognize the fact if they do not permit cheap labor to come into the United States they will destroy the very industries by which they are now living, by driving industry and manufacturers out of the United States into China, or to other lands where cheap labor exists. If, on the other hand, union labor will encourage the introduction into the United States of this cheap Chinese labor, practically every skilled mechanic that we now have will become a foreman over a score of newcomers.

There are no other people in the world whose character and instincts so much resemble our own as

the Chinese. The Chinaman has the same healthy human view of life as has the American; the same habit of jesting under the most difficult and dangerous conditions; the same sane optimism and the same belief that he can by his own effort become rich. It was, we know, the Chinese who gave our New England merchants the name "Yankee"; the original being two Chinese words that mean "foreign men." The Chinese are really Yankees like ourselves and when our people come to know them as well as few of us already know them they will like the Chinese people because they are wholesome, honest and "good fellows".

Our failure to keep in touch with the Chinese has resulted in several extraordinary developments in our import trade and some in our export trade that have operated greatly to our disadvantage. We have permitted the Japanese trader to creep in between the Chinese producer and the American consumer. The bean oil, known in America as "soya," is almost entirely consumed in the United States. It is bought by American consumers almost entirely from Japanese dealers, but the oil is not produced in Japan at all. It is a Chinese product and the name soya is not the Chinese name for the oil, but a Japanese name imposed on the trade by the Japanese middlemen. Some time ago I talked with an American who bought large quantities of this oil from Japan and discovered that he did not know that the oil was of Chinese origin, and further that he was paying the Japanese dealer about three times as much as he could have bought the oil for, from the Chinese producer direct.

In the same way we have permitted the Japanese middlemen to intervene between us and the Chinese producers of raw silk. Much of the silk sold here as Japanese is in fact produced in China, bought by the Japanese from the Chinese producers, taken to Japan, rewound, the price doubled and then sold to American weavers for twice the price paid to Chinese producers. In the same way Americans desiring to sell soap and other American products in China have been induced to accept Japanese firms in China as distributors, only to find that the Japanese had represented their American goods to be of Japanese origin, and now since the Chinese have put their boycott on Japanese products into such strict effect, the American soaps and goods that were distributed through Japanese agents have lost their market entirely and been excluded from Chinese commerce.

It is notorious that the Japanese have attempted to stop all American goods in transit to China by unloadings at Japanese ports, particularly, Kobe, while they have been attempting to sell the Chinese concerns who were looking for these American goods, some Japanese substitute.

Recently an American merchant in Shanghai, who was unable to account for the non-arrival of a shipment of automobiles that had been made from the United States nearly a year before, went over to Kobe, Japan, and found his whole lot of automobiles on the Bund exposed to the weather and in various stages of depreciation and wreck [where they had been unloaded in order to prevent them from reaching the merchant in Shanghai.

Within the last few weeks I made a large purchase for a Chinese merchant and although the shipment of the goods had to be delayed for two months in order to get it on a British ship sailing direct to Chinese ports, the Chinese purchaser insisted on such shipment and absolutely refused to pay for the goods unless they were so shipped, because if they had been shipped on any Japanese steamer, or on any British, or other foreign steamer

that made a practice of trans-shipment at Kobe, there was no certainty that he would ever get the goods.

The first necessity for the China trade today is direct steamship lines from America to Chinese ports. In this way only can the American and Chinese trade be done direct and be protected from the delays, the holdups and the impositions of the Japanese, who are attempting to get even with the Chinese on account of their boycott, by preventing the delivery to the Chinese of goods bought in America. Since it is useless for American steamship companies to attempt to compete for this carrying trade under the present American shipping laws which compel enormous crews and extravagant wages, the only way that this direct Chinese-American trade can be established and economically carried on, is by the establishment of steamship lines operated under the Chinese flag with Chinese crews but with American or British executive officers and engineers as has been almost universally the case in the Chinese steamship lines of the East. The China Merchants Steamship Co. has been for several years attempting to get some Americans to put up an equal amount of money with the Chinese company to establish a trans-Pacific steamship service for this trade. But first the war, and since then the extravagant costs of American-built ships which have seemed to be the only ones available have made it impossible for them to find any American assistance.

There never was such an opportunity for Americans to come into direct touch with the Chinese trade as the present.

German and French trade has practically vanished as a result of the war. British trade has to re-establish itself, which it is doing with great rapidity by reason of the wonderful shipping facilities and distribution system furnished by the British firms. The Japanese trade with China will never recover from the boycott, which is still being enforced with great severity even though you no longer see it mentioned in the papers.

Our people little appreciate the extent and depth of Chinese friendship and gratitude to our people. The mere statement that you are an American man will secure you a consideration that will not be shown to a foreigner of any other nationality. The Chinese trust us more than it is safe for them to do. One of my Chinese friends, who recently conducted through this country two very prominent Chinese merchants and bankers, told me that he had great difficulty in preventing them from being deceived and misled by the big talk of many Americans they met, for so confident was their trust in Americans that they firmly believed everything that was told them no matter how wild, extravagant or impossible. I mention this particularly because it is so foolish for our people to so mislead and deceive those who are now our neighbors and our friends. Next to the bad effect of bombast, one of the chief obstacles in the development of American trade with China up to this time has been the indisposition of most Americans to follow along the plodding set lines which builds up the kind of business that has been held by some firms for nearly a hundred years. Most of our people who have been going to China lately are afflicted with the get-rich-quick mania and suffering from the effects of war profits easily made without competition. What they have looked for in China has been some sort of a concession that they could sell or turn over quickly and make a profit without doing any actual construction work or business. Following the methods pursued here at home in war contracts they have spent money prodigally around

the Chinese capital and the hotels of the great cities and wondered why the Chinese officials, bankers and merchants have treated them so coolly, if not with actual suspicion. But the trouble is that there is nothing which the conservative Chinese official, banker, or merchant, frowns upon more than the lavish display or the prodigal spending of money. Many of my Chinese friends have remarked to me that they could not do business with so and so, and so and so, because he was such a lavish spender, and then have wisely remarked "When you do business with people who spend so much foolishly you must realize that you are paying profits to cover this extravagant expenditure."

And, finally, it is necessary for us to entrust our business in China and with the Chinese to real Americans, for American firms, American business and American banking in China has suffered much in the past by reason of foreign managers, who are Englishmen, Scotchmen, Frenchmen, Germans and Russians, before they are business men. Much business has been diverted to these countries through the foreign managers of American business houses. It is almost as foolish to employ one of another nationality as a manager for an American business firm in the Orient as it has been to permit the Japanese to intervene as middlemen between the United States and China in our commerce.

China and the United States are the two great republics of the world and our combined populations represent more than one-third of all the people on earth. Together we represent the most inventive and resourceful brains on earth, and the greatest mass of virile, enduring human power; together we are invincible. American brains and capital with Chinese labor will do more than all other combinations to make the world a good place to live in, and believe me, there are no people in the world so trained in the principles of local self-government as are the Chinese, and who will do more in the future to make democracy safe for the world.