

September 20, 1920.

Memorandum for Mr. Eldridge:

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In reference to the attached letter from Mr. Batchelder, please prepare a suggested letter of reply. If any statements can properly be made to allay the pessimism so characteristic of Mr. Batchelder's recent correspondence, please do so. I cannot believe that his remarks concerning the usefulness of trying to foster business with China are not exaggerated. Nor can I agree with him that the Department of Commerce is very little interested in "regular business". If Mr. Whitham, Mr. Arnold, and perhaps others have given a contrary impression, they have misrepresented the attitude of the Bureau and the false impression should be corrected. In this connection, please see my memorandum to the Editorial Division regarding the point of view from which Mr. Whitham's reports are to be edited.

I do not know whether Mr. Batchelder's criticism of the obstructive attitude of the State Department officials is correct or not. The tone of many of his recent communications is such, however, that one naturally feels disposed to discount any observations he may make.

C.E.Herring,  
Acting Director.

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This is so unambiguously impossible as to cast a serious reflection upon your otherwise renowned judgment and we trust that in your Indian work you may reflect a more balanced view point.

September 21, 1920.

Your suggestion that the Director examine the old established houses in China, making for suggestions as to the best methods of assisting them, is considered as a constructive and we are writing Mr. Argold to obtain such expressions of opinion for us, rather than attempt to take 19

Mr. C. C. Batchelder,  
American Trade Commissioner,  
c/o American Consul General,  
Calcutta, India.

Regarding the alleged specific cases of lack of assistance and support, the Bureau would appreciate any definite information which you can furnish, regarding either the lack of assistance by Chinese officials or lack of support by State Department officials.

My dear Mr. Batchelder:

Your letter No. 2 of August 4, 1920, has been read with some misgiving in the Bureau, especially as to the accuracy with which you present the possibilities of future trade with China.

While it is realized that you are merely presenting the statements made to you by American importers in Tientsin and as such reflecting all of the animus and reproach felt by these merchants toward newcomers in the China trade who are inclined to dispute their prerogatives, still it is felt that they are too emphatic in some of their statements. It is probable that you reached Tientsin when unfavorable conditions had approached their zenith and had you been able to temper your observations with a little more extended travel in the interior of China, you would not have reflected the impression of almost hopeless despair which evidently characterizes the Tientsin commercial community. Your powers of observation and your ability to reflect situations graphically are such as to cause general regret that you were not permitted either by limited funds or duties in Peking to become thoroughly familiar with all parts of the interior.

For your future guidance, more than as a criticism upon these conditions which, though regretted, could not very well be altered, it is hoped that you will try to reflect all shades of opinion, even though they may not seem to you to be pertinent or to merit attention. For instance, there must have been some hopeful signs in the conditions in Tientsin even at their worst, yet the picture you paint is so uniformly dismal that the only salvation for American business in China would seem to be absolute reliance upon the old established houses and no attempt to approach the markets through any other channel.

This is so manifestly impossible as to cast a serious reflection upon your otherwise esteemed judgment and we trust that in your Indian work you may reflect a more balanced view point.

Your suggestion that the Director communicate with established houses in China, asking for suggestions as to the best methods of assisting them, is considered constructive and we are writing Mr. Arnold to obtain such expressions of opinion for us, rather than attempt to take any action in his field without his active participation. It is hoped that this may allay the impression that the Department of Commerce is not interested in the regular established firms in China.

Regarding the alleged specific cases of lack of assistance and support, the Bureau would appreciate any definite information which you may call to our attention, regarding either the lack of assistance by Department of Commerce officials or lack of support by State Department officials, so that proper action may be taken. It is hoped that this will receive your prompt and careful attention.

Very truly yours,

C. E. Herring,  
Acting Director.

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C. E. Herring,  
Acting Director.