

Shanghai,
June 8, 1927.

Dear Mr. French:

I submit the following few suggestions which have occurred to me as being worthy of consideration in arriving at an understanding of what it may be possible to accomplish in the way of enlisting both moral and financial support to the movement which is in mind, and which may make clearer the importance of such a movement.

From the few exhibits which have been brought forth at committee meetings and from other indications which have come to all of us, it is quite apparent that the Nationalist Government of China and doubtless also the Soviet Government of Russia are far better organized to influence and mislead American public opinion than are we or any other American group organized to spread the truth and the facts in an effective way designed to bring about a happy solution.

It seems that events have moved so rapidly and the ugly manifestations of this situation have come upon us so suddenly that we find ourselves practically in the midst of the battle before we have girded ourselves for the fray, and the realization that the extensive American business and banking interests here in China are in no way organized to take quick and effective action toward protecting themselves is appalling.

It would seem to me highly necessary and desirable for American business interests in this country to organize themselves in such a way as to be in position to make their wants and rights and the truth of the situation known in high places both here in China and in the United States. Times may arise when it may prove highly important for the Chamber to make its wishes known to the Legation here in China as well as to the Departments of State and Commerce at home, and also to American manufacturers and organizations at home interested in China trade and to the American public generally, in order to win support and sympathetic understanding for this cause. By winning the support of the heads of the larger and smaller corporations in the United States interested in developing business in China or already with big investments and organizations here would be especially important in order that they might in turn use their influence in Washington with good effect.

It can be well appreciated that with the representatives of the War and Navy Departments here on the ground, understanding the situation as they do, and as I understand it already fully in sympathy with the views which the business community holds, and with our ability to make quick and effective representations to the Departments of State and Commerce or to the President himself in person through a competent Washington representative it might prove possible for this organization to so

impress the chief Cabinet officers in assisting them to arrive at a proper perspective of the situation as actually to prevent hasty or ill-advised cabinet action which might possibly result in our being sold out of our position over night or being put at least in an irrecoverably disadvantageous position.

The American Minister to China from what I have been led to believe is not out of harmony with our views as to a solution of this China problem. The support of the American business community in China to representations which he might make to the Department of State would have ten times the effectiveness in getting something done by our government, as without such support, especially when backed with similar representations by men of prominence in large commercial and industrial interests at home, such as the General Electric Company, the United States Steel Products Company, the Standard Oil Company, and the numerous other large and small corporations represented directly or indirectly in China.

I cannot help but feel that the very fact that the American business community here and at home has not been so organized and has not made effective representations of this kind so far, has probably been in part responsible for the seeming lack of well defined policy and action on the part of Washington thus far in this situation, despite the strong representations which we ~~XAN~~ have reason to believe Mr. MacMurray has made.

As I have intimated to you in previous memoranda, it should not be a difficult matter after acquainting these large corporations with the seriousness of this China situation to secure their financial assistance as well as moral support to a program aimed at bringing about a satisfactory and early solution to this China problem.

It would occur to me that the General Electric Company, especially, would appreciate the significance of the present dangers threatening American business in China. When I was in Russia ten years ago the General Electric Company, if my recollections are correct, lost its entire investment in that country in factories and plants as a result of the Soviet's nationalization (meaning seizure and confiscation) of all private property and industrial enterprises. All American business men had to get out of Russia at that time and have had to stay out for nearly ten years now.

The National City Bank of New York also had to get out of Russia and close its branches and lose its entire investment and effort in that country. The National City Bank in 1916 was instrumental in floating the first American loan of \$50,000,000. to the Russian Czarist Government and a subsequent loan of an equal amount to the same government if my recollections are correct.

I believe these loans were floated in conjunction with three or four other large banks in ~~the~~ Wall Street, including J.P. Morgan & Co., Guaranty Trust, Chase National, and one or two others. At any rate all these loans were repudiated by the Bolsheviks and have never been repaid. It is quite likely in my opinion that it would not be at all difficult to enlist the aid of such bankers who should be sympathetic with the difficulties confronting American business in China today and might feel a sufficient interest in seeing China early develop into a well governed country ~~XXXXX~~ free from Soviet influence where flotations of loans might be made with safety to the American investing public to give support of a substantial nature to a movement designed to assist in bringing about such a condition. The National City Bank alone, ~~XXXXX~~ having several branches in this country, it would seem would especially be interested and I have no doubt would give substantial financial and moral support.

I believe it would not be difficult to secure the hearty support of both General Motors and Ford Motor Company to a comprehensive program of this kind. The Ford Motor Company is sufficiently interested in this country even now to be willing to put in a small assembly plant which will be under way shortly. The General Motors people have already put up an assembly plant at Osaka and have turned out their thousandth Chevrolet car there. At the time I left Japan they were endeavoring to work out with the Japanese Government Department of Finance a plan of securing drawback on assembled cars when exported, in order that they might use the Japan plant as a point from which quick deliveries direct to the China market could be made. These and other motor car companies must be very much interested in seeing the situation develop favorably to American business in this country as it offers a tremendous outlet for American motor cars, tires, and accessories if and when peaceful conditions can be established.

These and many more possibilities too numerous to suggest here should not be overlooked in case the Chamber decides to go at this thing in a comprehensive way to get effective results.

A.B.C.

AMERICAN CHAMBER OF COMMERCE BULLETIN

OCTOBER 1927

SHANGHAI, CHINA.

No. 147

TREATIES TOTALLY DISREGARDED

On September 26, U.S. Commissioner Lurton handed down a decision in the case of Longfellow & Adams against The Robert Dollar Co., which refused to deliver certain merchandise of a value of \$156.00 without certificate from the Customs that the duty, including a surtax imposed by the Nanking Nationalists, was paid.

Since this decision has been handed down, the United States Government has granted permission to the American Consul General to receive legal treaty duties in payment of import duties on wines, liquors, cigars, cigarettes and tobacco. (*See letter on page 8 of this issue.*)

The most interesting point in connection with Judge Lurton's decision is contained in his summing up of the case as follows:

"It seems that the main question herein involved develops into a purely political one, and must be settled by the Executive Department of our government, and that it belongs to diplomacy and not to the administration of the law. Whether or not our Executive Department chooses to settle this question, or to disregard it, is not within the purview of this Court. The plaintiff must look to the Executive Department for such relief as it may deem itself to be entitled.

"In view of the whole situation as found by the Court, it is regrettable that circumstances over which the parties hereto have no control should ever prevail. It seems that a certain faction of the Chinese people have assumed control of their government's Customs at Shanghai, and in the fact of binding treaties which to any country maintaining the high standard of civilization should be scrupulously executed, have totally disregarded these treaties by attempting to collect more duty than is stipulated therein.

"Whether the present treaties between the United States and China are just or unjust to either side, they have been entered into under the most solemn and profound conditions, and agreed to by the highest officials of both of these countries. Until a revision of these treaties have been made by a convention between these two countries, it certainly behooves both sides to use the utmost endeavor to see that they are executed according to their full tenor."

It is to be noted that the decision rendered by U. S. Commissioner Lurton only covers wines, spirits and tobacco. It is evident that the policy of the State Department is to put American importers on the same footing as any other nation as regards the payment of import duties, in that we are evidently to receive the same benefits as any other nation.

REAL FACTS REGARDING CHINA ARE APPRECIATED

Address Official Communications to
The Secretary of State,
Washington, D. C.

DEPARTMENT OF STATE
WASHINGTON
June 10, 1927.

Mr. George Bronson Rea,
50 Church Street,
New York City.

Sir:

The Department has received, by reference from the White House, your letter of June 1, 1927, addressed to Mr. Everett Sanders, Secretary to the President, transmitting a telegram received by you from the American Chamber of Commerce of Shanghai.

The contents of this telegram have received the careful attention of this Department.

I am, Sir,

Your obedient servant,
For the Secretary of State:
Nelson Trusler Johnson,
Chief,

DIVISION OF FAR EASTERN AFFAIRS.

NATIONAL FOREIGN TRADE COUNCIL
India House, Hanover Square
NEW YORK
June 8th, 1927.

Mr. George Bronson Rea,
Far Eastern Review,
50 Church Street,
New York City.

Dear Mr. Rea:—

I want to thank you most cordially for the pains you took, the time you sacrificed and for the very distinctive service you rendered to our Detroit Convention.

These meetings are only made possible by the loyal cooperative work and the sustaining spirit of the men whom we count as our friends in the foreign trade cause. That is what is making our business grow, and the atmosphere of a successful foreign trade convention reacts handsomely to the best work we all can put in.

Thanks ever so much for your response to our call to help out. It made a mighty good convention just that much better.

Faithfully yours,
Signed: O. K. Davis,
O. K. Davis,
Secretary.

BRITISH EMBASSY
Washington, D.C.

June 13th, 1927.

Dear Sir,—

I write to thank you very cordially for your kindness in sending me under cover of your letter of the 7th instant copies of your speech delivered before the recent National Foreign Trade Convention in Detroit. I listened with very much interest indeed to that portion of your speech which you personally delivered and I shall now read the full text of it with even greater attention

Thanking you for your courtesy in this matter, I remain,

Yours very truly,

Signed: Commensal Counsellor.

George Bronson Rea, Esq.,
The Far Eastern Review
50 Church Street,
New York, N. Y.

THE BRITISH ENGINEERS' ASSOCIATION.
(Incorporated 1912)
32 Victoria Street
London, S.W.1.

G. Bronson Rea, Esq.,
50 Church St.,
NEW YORK.

Dear Mr. Bronson Rea,

Many thanks for your letter of June 7th. and the copies of your speech enclosed therewith.

I am sorry to hear of your long illness, and hope that by the time this reaches you will have regained your normal health and strength. I say this not altogether unselfishly because, in the present critical situation of affairs in China, it is of world importance that you should be able to continue with energy your expert advocacy of the case and policy so admirably stated in your speech before the National Trade Convention.

I have read that speech with great mental and moral satisfaction. Coming from you it goes without saying that it is well informed, but it also "rings true" and for these two reasons it should carry conviction to any unprejudiced mind.

With best wishes,

I am,
Very truly Yours,
Signed: D. A. Bremner,
Director.

NORTHERN PACIFIC RAILWAY COMPANY
General Passenger Department
200 L. C. Smith Bldg.

Mr. Geo. Bronson Rea,
Publisher,
The Far Eastern Review,
No. 50 Church St.,
New York City, N.Y.

Dear Mr. Rea:

I want to thank you for your kind letter of June 14th inclosing copies of your speech before the National Foreign Trade Convention at Detroit, which I can assure you was very interesting indeed to me.

I have taken up along the suggested lines as mentioned in your letter with our company as I certainly feel that the United States Government should cooperate in every way possible with Great Britain and the other powers towards furnishing the proper protection to our business representatives in the Orient and to help eliminate the Red influence which is very strong at the present time.

Cordially yours,
Signed: R. J. Tezer

AMERICAN CHAMBER OF COMMERCE BULLETIN

PUBLISHED MONTHLY BY THE
AMERICAN CHAMBER OF COMMERCE
305 Robert Dollar Building,
Shanghai, China.

Cable Address "Amchamcom."

Advertising Rates furnished upon request.

Board of Directors 1927-28

President:

C. H. FRENCH, Andersen, Meyer & Co., Ltd.

Vice-President:

S. C. KINGSBURY, Connell Bros. Co.

Treasurer:

F. J. RAVEN, Raven Trust Co. Ltd.

C. B. ARTHUR, Liggett & Myers Tobacco
Co., China.

W. H. BOLTON, W. H. Bolton Bristle Co.

T. J. COKELY, The Robert Dollar Co.

R. F. EVANS, C. K. Eagle & Co. Inc.

WM. S. FLEMING, Fleming & Allman

C. B. GARDNER, Standard Oil Co. of N. Y.

J. B. MURRAY, The Texas Co.,

WARREN MANLEY, Secretary.

August 26. Johnston Fruit Co., Santa Barbara, Calif., was elected a non-resident member of the Chamber.

It was decided to obtain a list of worthy charities seeking contributions in Shanghai and to bring some before the Community Committee for recommendation for final endorsement by the Board of Directors.

September 2. Mr. Frederick Moore was present as a guest and addressed the Board relative to his recent northern trip.

It was voted to join with Mr. Julian Arnold in urging Dr. Julius Klein, Directors of that Department of Commerce to visit Shanghai this fall for the purpose of getting first hand information regarding China.

The report of the Shipping Committee, as made by Chairman Cokely, regarding Harbor Regulations, was approved by the Board.

Two letters were read from Consul General Cunningham regarding the abolition of surtax Tonnage Dues and the postponement of the proposed illegal taxes, as published in the last issue of the Bulletin.

September 9. Mr. M. L. Davies, Connell Bros. Company, Seattle, was appointed the delegate of the American Chamber of Commerce to the Pacific Foreign Trade Council held in Victoria, B. C., September 15.

It was voted to write the American Consul General requesting him to acquaint the Chinese Government regarding the round-the-world flight of the "Pride of Detroit" asking them to extend every possible courtesy.

September 16. Chairman Evans of the Entertainment Committee reported regarding the entertainment

that had been tendered Messrs. Schlee and Brock of the "Pride of Detroit."

Mr. Geo. Bronson Rea was appointed National Councillor of the American Chamber of Commerce to the Chamber of Commerce of the U.S.A.

September 23. Chairman Evans of the Entertainment Committee was given a vote of thanks for his all night work in entertaining Messrs. Brock and Schlee of the "Pride of Detroit."

Messrs. Kingsbury, Seltz and Smith were appointed a committee of three to attend the Shanghai General Chamber of Commerce on September 27 regarding unwise native bank orders.

Mr. S. R. Brown, The National City Bank of New York, was appointed proxy during the absence of Mr. F. F. Fairman on the Board of Managers of the Shanghai American School.

Consul General Cunningham reported that Japanese were importing cargo upon payment of the treaty duty of 5%, that British firms were importing upon the payment of 7½% duty and in the case of the luxury surtax 10% duty; and that American firms were still subject to 50% duty on tobacco and 30% duty on wines and liquors.

Community Chest Drive

The following figures will prove of interest to members of the Chamber of Commerce in connection with the recent Community Chest Drive, when a total of \$2790.83 was subscribed. Half of this amount went to Civilian Relief and half to the celebration of American holidays, with the exception of those checks which were specially earmarked.

| | |
|--------------|-----------|
| 2 @ \$2.00 | \$4.00 |
| 1 @ \$1.50 | 4.50 |
| 378 @ \$5.00 | 1890.00 |
| 57 @ \$10.00 | 570.00 |
| 1 @ \$15.00 | 15.00 |
| 2 @ \$20.00 | 40.00 |
| 2 @ \$25.00 | 50.00 |
| 2 @ \$50.00 | 100.00 |
| 1 @ \$100.00 | 100.00 |
| 1 @ \$50.00 | 6.88 |
| 1 @ \$4.79 | 10.45 |
| | \$2790.83 |

On hand in Civilian Relief Fund \$2274.28

In fixed deposit Civilian Relief Fund 2700.00

Total for Civilian Relief \$4974.28

On hand General Fund for celebration of Holidays \$17.50

Expenses Fourth of July

| | |
|---|----------|
| Chen Ching Woo—bamboo mat shed | \$315.00 |
| Elms J. Anderson—mailing notices | 5.00 |
| Yee Hung Tuck—plants, decorations, etc. | 21.50 |
| Bakerite Bakery—lemonade and cups | 130.00 |
| Velvet Ice Cream Co. | 117.80 |
| J. J. James—popcorn | 121.00 |
| Shanghai Amateur Baseball Club | 342.00 |
| Tung Vong Co.—caterers | 500.00 |

\$1552.10

There was a deficiency of \$180.00 in this fund, which was made up by the Chamber of Commerce paying \$5.00 for each of thirty-six new individual memberships obtained since the amalgamation of the American Association, which is in accordance with the By-Laws. This sum of \$180.00 was applied directly to the Fourth of July deficiency.

EDITORIAL

In the last issue of our Bulletin we published an article setting forth the business man's point of view in regard to the question of abolition of extraterritoriality. We now learn that the Commonwealth Club of California has been making a careful study of the situation in China, feeling that the problems involved are of especially vital importance to Californians. We publish in this issue a paper read at a meeting of the Commonwealth Club at San Francisco last April and embodied in the May 10th issue of the Club's official organ "The Commonwealth". The article presents the viewpoint of a noted American jurist, who has not only seen active legal service in Shanghai but has acquired intimate knowledge of Far Eastern affairs through a long residence in the Philippines. He was Secretary of the Taft Commission to the Philippines, later Associate Judge of the Court of Land Registration in Manila, practiced law for many years in the Philippines, and has written several monographs and a book on America's position and problems of Government in the Philippines. Judge Williams' article recites the principal facts and circumstances surrounding the considerations which have already been given to the subject of extraterritoriality in China by the nations concerned. In setting out the facts in concise form, he has done a real service to those who would gain a balanced viewpoint on this China problem.

The propagandists would sway American public opinion in regard to China by appeal to American sympathy on those basic principles of freedom, and national sovereignty, which Americans understand so well as forming the foundation for our own national development.

The uninformed American is led to believe that the Chinese revolution is parallel to our own struggle for freedom. It is a purely human tendency to be prone to judge new situations by our own past experience. The average uninformed American editor or man in the street can scarcely be blamed for taking at its face value the propaganda which would have Americans believe that China's ills are due to "infringement by foreign Powers on her territorial sovereignty in the holding of concessions", to "extraterritoriality which gives foreigners in China special privileges which the Chinese themselves do not have," and that therefore until the "unequal treaties" are abolished, and concessions and extraterritoriality are done away with, China cannot progress as a "free and independent nation".

The average person is willing to accept these statements for just what they appear to be worth, but the seeker after truth, the student who would go to the bottom of the subject, looks beneath the surface for basic facts. It is, therefore, a wholesome indication to find an institution such as the Commonwealth Club of California making an effort to arrive at an understanding of the facts, rather than being swayed [by purely sentimental considerations of certain principles which do not apply to the China situation in the same way in which they applied to the struggle of our pioneer forefathers, first in their

desire for religious freedom and then for political freedom in the development of democracy.

Something of disgust arises in the bosom of an informed American when the American educated agitators of the Chinese revolution seek to stir up rabid anti-foreign feeling among the credulous Chinese populace in order to keep alive enthusiasm and support for the revolution, while at the same time they endeavor to mislead American public opinion by specious appeal to American patriotic sentiments.

Rather than generating hatred for foreigners (which means American as well as other nationals in China) and fostering among the Chinese masses ill-feeling against those nations which have shown every indication and desire to join in Constructive movements for the good of mankind in general and of the Chinese people in particular, those Chinese who have the welfare of their people and country genuinely at heart would do better to endeavor to enlist the cooperation, kindly advice, and assistance of the Powers in bringing about peace and order, law and justice, good government and prosperity. Inflammatory and fallacious tirades against extraterritoriality and "unequal treaties" cannot rescue the Chinese people from their present predicament which can in no way be attributed to foreigners or to foreign relations. This misguided movement to oust foreigners from their present status in China must be characterized as wasted effort in barking up the wrong tree. If the movement were immediately successful, and foreigners were obliged to leave China entirely, there is every indication that anarchy and terrorism could reign supreme indefinitely. The chief difficulties of the China problem are Chinese, not foreign.

Any backward people are patently in an "unequal" position in the world. Anti-foreign agitation can in no way alter the basic and overwhelming facts of backwardness. Propagation among the Chinese masses of hatred for foreigners by the few leaders who have gained their ideas of progress by contact with foreigners and with enlightened conditions abroad, cannot win for those leaders the essential respect of foreign governments upon which friendly relations of an "equal" character might be based, nor win and hold for the Chinese people the sympathy and substantial aid which could be theirs for the asking, and which would effectively assist China to the equal position desired.

The Washington Conference, initiated by the American President, and joined in by all other nations principally concerned, in its consideration of the China situation, was an international effort to meet China's legitimate aspirations. It provided for and set in motion the machinery under which the problems of tariff autonomy and abolition of extraterritoriality were to be worked out. A reading of Judge Williams' article will show in what manner this international effort has been thwarted thus far.

SAFE AND FREE RESIDENCE IN CHINA

By D. R. Williams.

AMERICANS residing in China, when defendants in civil or criminal actions, are now exempt from Chinese jurisdiction and are entitled to be tried in the courts and by the laws of their own country. When residing in what are known as foreign concessions, they are entitled to provide—either of themselves or jointly with other foreign nationals—for their own police protection. Our present inquiry has to do with whether these rights should be surrendered, and, if so, under what conditions.

One of the recognized attributes of a sovereign state is that of complete political jurisdiction within its own territory. The application of extra-territorial rights in China is a limitation upon her sovereignty, and is subject to increasing protest by Chinese. On the other hand, there is little question but that the powers in interest are prepared to surrender this privilege when satisfied it can be done with safety to their respective nationals. This was the outstanding feature of the Washington Conference of 1921, 1922. While called primarily to consider limitation of armaments, the Conference devoted the bulk of its time to devising and providing ways and means to preserve the territorial and administrative integrity of China, to protect her government and people from exploitation, and to relieve her from the effect of unjust or unequal treaties.

Furthering Chinese Aspirations

Upon the special matter of extra-territoriality, a resolution was adopted by the Conference on behalf of the United States, the British Empire, France, Italy, Japan, Belgium, the Netherlands, and Portugal, which recited that such powers were—

"... Sympathetically disposed toward furthering in this regard the aspiration to which the Chinese delegates gave expression on November 16, 1921, to the effect that 'immediately, or as soon as circumstances will permit, existing limitations upon China's political, jurisdictional and administrative freedom of action are to be removed'."

Inasmuch, however, as any such action depended upon the ascertainment of complicated states of fact in regard to the laws and judicial administration of China, it was provided that the powers named would establish a commission to inquire into the practice of extra-territoriality in China, and to assist and further the efforts of the Chinese government to effect such legislative and judicial reforms as would warrant the several powers in relinquishing these special rights. It was further provided such commission would be constituted within three months after adjournment of the Conference, with instructions to submit its report and recommendations within one year after the first meeting of the commission. China, after taking note of this resolution, expressed "its satisfaction with the sympathetic disposition of the powers named in regard to the aspiration of the Chinese government to secure abolition of extra-territoriality in China," and declared its intention to appoint a representative to sit as a member of such commission.

Inadequacy of Chinese Judicial System

Delay in giving effect to this evident willingness of the powers to negotiate surrender of their extra-territorial rights was due largely if not altogether to the Chinese themselves. At the Conference on American Relations with China, held at Baltimore in September, 1925, Dr. P. W. Kuo, the spokesman for China at such Conference stated:

"At the Washington Conference the Chinese delegation made a very strong plea for the removal of extraterritoriality. But when the powers represented at that Conference contended for an investigation before taking any definite steps, the Chinese delegates felt this was a very reasonable thing for the powers to ask. Feeling that the Chinese laws and their administration have made such rapid progress within the last decade, they did not hesitate to accept such a proposal. It was decided also at the Conference that the commission should be created within three months after the closing of the Conference, a point which was insisted upon by the Chinese delegates for fear the matter might be delayed. But a few months later, or soon after the Conference, the Chinese government, after considering the work that was involved, felt that it would take considerable time for those in charge of the Chinese laws and of the administration of judicial processes in China, to get the necessary material ready for the commission. It was felt that in order to give a clear presentation of the facts concerning the laws and judicial procedure in China, they must have all the material collected and organized, and then translated into English, French, and perhaps German—into at least two of these languages. They considered it would take at least one year to do this work. Otherwise the commission would be appointed, the members would come to China and would ask for material which was not ready, and they would waste much time. Therefore, in order to save the time of the commission, the Chinese government suggested that the appointment of such a commission be delayed for one year."

Foreigners Maltreated

While what Dr. Kuo says about getting the necessary material together for the commission is doubtless true, well-informed persons state that the principal reason for asking postponement of the proposed investigation was something quite different. When China declared war upon Germany and Austria-Hungary in 1917, citizens of those countries lost their extra-territorial rights. In the meantime also, owing to the breakdown of the Russian government, China had assumed jurisdiction over Russians in her territory—a right subsequently granted by the Soviet government. As a consequence, injustices were perpetrated upon the nationals of those countries in Chinese courts, and particularly upon Europeans in Harbin and elsewhere, which would have seriously prejudiced China's case if then brought to the attention of an international commission. Time was also required to construct modern jails, and otherwise evidence that China was prepared—or preparing—to apply humane methods in the treatment of prisoners.

Commission on Extra-territoriality Meets 1926

For the above reasons, and because of the steadily increasing demoralization of the Chinese government, this Commission on Extra-territoriality did not meet until January 12, 1926, when it convened in Peking. The commission comprised representatives of the United States, the British Empire, Belgium, China, France, Denmark, Italy, Japan, the Netherlands, Norway, Portugal, Spain and Sweden. Mr. Silas H. Strawn, the American Commissioner, was elected chairman. The commission held twenty-one full sessions, the last being on September 16, 1926, when a joint report was signed by all of the thirteen commissioners. The report of the

...and the ... of ...

Lack of Ontario Judicial Protection

The ... of ... in the ...

Consolidation of Power Concentrated in Toronto's Advantages

In a ... of ... the ...

China Would "Favored Nation"

In ... China ... a ...

...and the ... of ...

Perhaps Extended to other Nations

The ... of ... in the ...

China's Foreign Trade Near \$2,000,000,000 Annually

In a ... of ... the ...

China Would "Favored Nation"

In ... China ... a ...

...and the ... of ...

What Has China Done in Order

During a ... of ... the ...

China's Foreign Trade Near \$2,000,000,000 Annually

In a ... of ... the ...

China Would "Favored Nation"

In ... China ... a ...

China Would "Favored Nation"

In ... China ... a ...

...and the ... of ...

Capital and Machinery Lacking

China is ... of ... the ...

China Would "Favored Nation"

In ... China ... a ...

China Would "Favored Nation"

In ... China ... a ...

China Would "Favored Nation"

In ... China ... a ...

China Would "Favored Nation"

In ... China ... a ...

American Consulate General,
Shanghai, China, October 3, 1927.

Subject: Duty on Imports.

Chairman,
American Chamber of Commerce,
3 Canton Road, Shanghai.

Sir:

Reference is made to the letter of September 9, 1927, from the Secretary of the Chamber of Commerce inquiring whether American merchants can clear cargo by depositing with the American Consul General the treaty duty and the two (2½%) surtaxes and to my reply of September 13th stating that the Department of State had instructed the Consulate General on August 1st that it could not become the depository for Customs revenues in the manner suggested by you.

I now take pleasure in advising you that I have been authorized by the Department of State and am prepared to accept deposit of the treaty duty, wharfage and conservancy dues on consignments of wines and liqueurs subject to the special 30% stamp tax and on consignments of tobacco products subject to the 50% tobacco products tax, and to inform American warehousemen that there is no objection to their releasing such cargo.

The conditions under which this will be carried out will be made known to you and interested firms not later than the fifth instant. Suffice it to say that the request for the release will be made upon the payment of treaty duties only.

Very respectfully yours,

(Signed) Edwin S. Cunningham,
American Consul General.

PROLONGED UNREST PREDICTED IN CHINA

Predictions of a prolonged period of chaos in China which will outlast the present generation were made by Frederick Moore, until recently correspondent of the New York Times in China, at a luncheon meeting of the American Merchant Association of Tokyo. Stripping the situation there of all illusions which arise from ignorance, sentimental hopes or sympathy, he declared that "affairs are now very much worse than they were under the old Manchu dynasty" and said that there was no hope for any great general improvement during the lives of most of those present.

He enumerated three fundamental weaknesses of China, lack of communications and education and poverty, which would keep the nation in conflict and unrest for many years to come. "No revolution will change the situation," he said. "It may bring in the regime of Wong of Tong, or lift one group of leaders into power in place of another but it cannot alter these fundamental defects."

"China is overrun with brigands," he continued. "Chung Tso-lin and all other military leaders are really brigands. One great reason for this is the lack of communications to hold the country together. China is almost twice the size of the United States and yet it has only isolated railway lines strung between a few cities. If in America there were only lines running from New York to Chicago and St. Louis, there would be brigandage in America also."

"The recent march toward the Yangtze and then down its course is what looked like splendid conquest was really nothing more than the incorporation of numerous brigands into the fold of the party by means of various propaganda and money payments. Events since then have vindicated the position of business men and writers who were always skeptical over the real power of the party."

"Americans have long been too sentimental about China," he said. "I suppose this is only natural because we all feel sorry for the underdog. The events of the last six months however have vindicated for me the stand I have long taken that too much sentiment has been shown, that affairs are still to remain so."

THE FAR EASTERN REVIEW is the authoritative journal on Engineering, Finance and Commerce in the Far East covering these subjects in China, Japan, Korea, The Philippines, Indo-China, Java, Straits, Siam, etc.

THE FAR EASTERN REVIEW is an American—OWNED, American—EDITED and American—INSPIRED publication.

Its editorial policy is not controlled by but is in harmony with the policies of the American Chamber of Commerce.

READ

"Breaking the Treaties by Taxation" by George E. Sokolsky in the August 1927 issue.

SUBSCRIPTION RATES:

In the United States, the Philippines and other American Territories, Gold \$5.00 per annum. China, Mex. \$10.00 Elsewhere, Mex. \$12.00.

Advertising Rates are obtainable from

THE FAR EASTERN REVIEW

16 JINKEE ROAD

SHANGHAI

CHINA

or

THE FAR EASTERN REVIEW

50 Church Street,

New York.

WALTER JUDD, Ltd.

47 Gresham Street,

London, E. C. 2.

CORPORATE MEMBERS OF THE AMERICAN CHAMBER

- Admiral Oriental Line,
Steamship operators.
E. C. Allan,
Exchange and bullion broker.
American Asiatic Underwriters, Fed. Inc. U.S.A.,
Insurance.
American Bank Note Co.,
Bank note makers.
American Bureau of Shipping,
Classification and record of American and foreign
shipping.
American Drug Co.,
Wholesale, retail and manufacturing chemists.
American Express Co., Inc.,
International banking, shipping, travel and foreign
trade.
American Foreign Insurance Assn., Inc.,
Fire and marine insurance.
American Metal Co., Ltd.,
Metals.
American Milk Products Corp.,
Milk Products.
American Oriental Banking Corp.,
Bankers.
American-Oriental Finance Corp.,
Financing.
American Trading Co., Inc.,
General and construction engineers, importers and
exporters, manufacturers' and insurance agents.
The Amos Bird Co., Inc.,
Exporters of egg products.
Andersen, Meyer & Co., Ltd.,
Engineers and contractors, exporters, importers,
manufacturers and insurance agents.
Anderson, Clayton & Co.,
Importers of American raw cotton.
Asia Life Insurance Co., Inc.,
Life insurance.
Asia Realty Co., Fed. Inc. U.S.A.,
Real Estate.
The Ault & Wiborg China Co.,
Importers of paper, inks, printing machinery and
supplies, paints and varnishes.
Belting & Leather Products Assn., Inc.,
Importers of leather belting and leather products.
Bills Motors, Fed. Inc. U.S.A.,
Motor cars.
W. H. Bolton Bristle Co.,
Sterilization and dressing of bristle.
Brewer & Co., Inc.,
Manufacturing chemists, wholesale druggists, im-
porters and exporters.
H. B. Campbell,
Import and export manufacturers agent, contracting
and stocks, sign painting and art decorations.
Chalair & Franklin,
Attorneys-at-law.
China Electric Co., Ltd.,
Manufacturers of and agents for telephone, tele-
graph and electrical equipment.
China Fibre Container Co.,
Manufacturers of fibre boxes and toilet paper.
China Finance Corp., Fed. Inc. U.S.A.,
Holding corporation.
China General Edison Co., Inc.,
Manufacturers of electrical goods and accessories.
China & Japan Trading Co., Ltd.,
Importers, exporters and commission agents, im-
port piece goods, metals, hardware and sundries.
China Motors, Fred, Inc. U.S.A.,
Motor cars.
The China Press, Inc.,
Publishers of THE CHINA PRESS.
China Realty Co., Fed. Inc. U.S.A.,
All pertaining to real estate.
The China Weekly Review,
Weekly publication.
V. Clair,
Exchange Broker.
Commercial & Credit Information Bureau,
Credit Service.
Commercial Express & Storage Co.,
Forwarding agents, warehousemen, etc.
Commercial Pacific Cable Co.,
Pacific cable.
Connell Bros. Company,
Importers and exporters, food products, etc.
Carl Crow, Inc.,
Advertising and merchandising agents.
R. A. Curry,
Architect.
Davies & Bryan,
Attorneys-at-law.
Roy E. De Lay,
Manufacturers of telephone apparatus.
I. Delbourgo,
Tobacco.
Dodge & Seymour (China) Ltd.,
Import merchants and manufacturers agents, motor
cars, typewriters, electrical goods, paints, etc.
The Robert Dollar Co.,
Lumber, shipping and general merchants.
C. J. Doughty & Co., Fed. Inc., U.S.A.,
Heating and sanitary installations.
E. I. Du Pont de Nemours & Co., Inc.,
Importers of dyes, chemicals, etc.
C. K. Eagle & Co., Inc.,
Raw silk export.
Eastman Kodak Co.,
Kodak Photographic supplies.
Eisler, Reeves & Murphy, Inc.,
Marine and cargo surveyors and naval architects.
Elbrook, Inc.,
Import, export and carpet manufacturers.
Engineering Equipment Co., Fed. Inc. U.S.A.,
Mechanical and electrical engineer.

- Equitable Eastern Banking Corp.,
Banking.
L. Everett, Inc.,
Steamship agent.
The Far Eastern Review,
Monthly engineering and trade journal.
Fessenden & Holcomb,
Attorneys-at-law.
Fleming & Alliman,
Attorneys-at-law.
The Ford Hire Service, Inc.,
Taxi or hire car business.
Foster-McClellan Company,
Manufacturing chemists.
Getz Bros. & Co., Inc.,
Importers of provisions, hardware, leather, glass,
metals, etc.
A. T. Gillespie,
Sales brokers, food products.
H. Gulick,
Exchange Broker.
A. R. Hager,
Business Equipment.
Haskins & Sells,
Certified public accountants.
Hearcock & Cheek Company,
Manufacturers' representatives and wholesale jewel-
lers.
H. S. Honigsberg & Co., Inc.,
Importers and distributors of motor cars.
J. W. Huck, General Agent,
Great Northern Railway.
Lam, Glines & Co., Inc.,
Importers, exporters, engineers and contractors.
Import of iron and steel products, machinery,
electrical equipment, engines, etc.
Robert Lang, Fed. Inc. U.S.A.,
Silks and silk machinery.
Liggett & Myers Tobacco Co.,
Tobacco products.
McKesson & Robbins, Inc.,
Exporters—Chinese produce.
Mark L. Moody, Fed. Inc. U.S.A.,
Motor car distributors.
David L. Moss & Co., Inc.,
Importers and exporters.
National Aniline & Chemical Co., Inc.,
Manufacturers and importers of synthetic indigo,
aniline dyes and chemicals.
The National City Bank of New York,
Banking.
Oil Export Company,
Importers of lubricating oil and kerosene.
Oriental Alcoa Ltd.,
Aluminum in all forms.
The Palmolive Company,
Soaps and toilet preparations.
Raven Trust Co., Ltd.,
Financial agents.
F. V. Reilly,
Exchange Broker.
N. T. Saunders,
Exchange Broker.
Singer Sewing Machine Co.,
Sewing machines.
Squires Bingham Co.,
Sporting goods and gift shop.
Standard Oil Co. of New York,
Lubricating oils and petroleum products.
E. Suensen & Co., Ltd.,
Architects and building contractors.
Sunland Sales Assn., Inc.,
Agents for Sun-Maid Raisin Growers.
The Texas Company,
Petroleum products.
Tobacco Products Corp. (China),
Tobacco products.
G. E. Tucker,
Exchange broker.
U. S. Rubber Export Co., Ltd.,
Importers of rubber goods.
U. S. Steel Products Co.,
Products of American steel manufacturers.
U. S. Testing Co., Inc.,
Operating the Shanghai Testing House for condi-
tioning silk.
Universal Hire Service, Fed. Inc., U.S.A.,
Car Hire and light hauling.
Universal Leaf Tobacco Co. of China, Inc.,
Leaf tobacco.
Universal Pictures Corp. of China,
Motion pictures—distribution and exhibition.
Upson Paint Co., Inc.,
Decorators furnishers and builders.
Vacuum Oil Co., Inc.,
Petroleum products.
Viloudaki & Company,
Merchants and commission agents, public inspectors
of silk goods.
C. M. Wentworth,
Exchange broker.
West Coast Life Insurance Co.,
Life insurance.
Westinghouse International Electric Co.,
Electrical apparatus for every purpose.
York Shipley Incorporated,
Ice making and refrigerating machinery.

Port of Shanghai.
Number and tonnage of vessels (steam and sail) entered and cleared under the following flags at the Maritime Customs, Shanghai for period 1910 to 1926.

| Year | Great Britain | Japan | U. S. A. | China |
|----------|---------------|-----------|-----------|-----------|
| 1910 (1) | 7,105,611 | 3,763,431 | 475,706 | 3,611,868 |
| (2) | 8,364 | 13,342 | 141 | 26,412 |
| (3) | 38.2% | 18.9% | 2.5% | 16.9% |
| 1911 | 7,321,443 | 3,986,523 | 454,107 | 3,379,704 |
| | 4,160 | 2,853 | 107 | 15,293 |
| | 39.5% | 22.1% | 2.5% | 14.8% |
| 1912 | 7,653,477 | 4,275,793 | 402,778 | 3,207,082 |
| | 4,275 | 3,502 | 49 | 12,968 |
| | 41.0% | 32.9% | 2.3% | 13.2% |
| 1913 | 7,653,174 | 5,078,990 | 378,693 | 3,107,905 |
| | 4,547 | 32,107 | 449 | 16,916 |
| | 49.6% | 32.3% | 2.8% | 13.3% |
| 1914 | 7,831,693 | 4,704,007 | 444,713 | 3,543,601 |
| | 4,231 | 3,381 | 461 | 11,261 |
| | 41.4% | 31.8% | 2.3% | 14.5% |
| 1915 | 6,778,626 | 5,137,626 | 313,652 | 3,681,518 |
| | 3,052 | 3,381 | 472 | 13,930 |
| | 40.2% | 36.4% | 1.8% | 14.8% |
| 1916 | 6,657,653 | 5,231,106 | 288,865 | 3,472,748 |
| | 4,695 | 3,277 | 642 | 19,040 |
| | 39.5% | 31.1% | 1.7% | 14.0% |
| 1917 | 5,693,011 | 5,216,363 | 409,422 | 3,408,333 |
| | 4,638 | 3,573 | 538 | 11,231 |
| | 39.2% | 33.1% | 2.6% | 14.5% |
| 1918 | 4,564,115 | 5,133,869 | 567,321 | 3,161,445 |
| | 3,638 | 3,597 | 537 | 21,645 |
| | 32.4% | 36.5% | 4.0% | 13.4% |
| 1919 | 7,621,326 | 5,432,304 | 1,311,501 | 3,951,301 |
| | 4,651 | 3,703 | 780 | 8,242 |
| | 37.8% | 29.7% | 7.6% | 14.8% |
| 1920 | 8,350,814 | 6,165,011 | 2,587,506 | 4,139,690 |
| | 4,844 | 3,511 | 1,243 | 8,744 |
| | 37.1% | 29.3% | 11.3% | 15.5% |
| 1921 | 8,730,718 | 6,986,732 | 2,210,802 | 4,703,987 |
| | 4,811 | 3,691 | 1,172 | 9,434 |
| | 29.5% | 29.1% | 9.1% | 16.5% |
| 1922 | 10,212,660 | 7,092,416 | 2,833,187 | 5,321,342 |
| | 3,542 | 3,461 | 1,078 | 11,015 |
| | 37.1% | 29.4% | 10.3% | 18.0% |
| 1923 | 16,764,020 | 7,607,714 | 3,119,303 | 5,769,322 |
| | 5,424 | 3,240 | 1,105 | 11,981 |
| | 33.0% | 23.3% | 10.6% | 19.1% |
| 1924 | 11,743,398 | 7,597,484 | 3,161,496 | 5,681,913 |
| | 3,844 | 3,220 | 1,174 | 8,281 |
| | 36.3% | 24.3% | 10.6% | 17.0% |
| 1925 | 9,361,031 | 8,056,412 | 3,160,002 | 5,862,718 |
| | 4,416 | 2,800 | 1,074 | 8,912 |
| | 30.7% | 10.4% | 10.4% | 19.2% |
| 1926 | 10,951,947 | 9,382,448 | 3,193,487 | 3,216,937 |
| | 5,534 | 4,584 | 3,197 | 16,937 |
| | 32.8% | 28.1% | 10.7% | 13.6% |

Notes:
1-Tonnage of vessels
2-Number of vessels
3-Percentage of total tonnage

Notes.

Great Britain includes Hongkong, Singapore, British India, Australia, Canada, South Africa, British West Indies and East Africa.

Port of Shanghai.
Value of trade in Haikwan teas with foreign countries (gross import of foreign goods & export plus re-export of Chinese goods) 1910-1928 inclusive

| Year | G. B. & colonies | Japan Korea Formosa | U.S.A. Hawaii Philippines | France French Indo China |
|------|------------------|---------------------|---------------------------|--------------------------|
| 1910 | 162,330,382 | 63,470,636 | 41,491,248 | 24,239,404 |
| | 46.9% | 17.5% | 11.5% | 6.5% |
| 1911 | 169,488,104 | 52,245,645 | 5,644,799 | 24,573,539 |
| | 44.8% | 13.8% | 14.7% | 6.1% |
| 1912 | 164,896,751 | 53,926,651 | 58,667,687 | 34,006,340 |
| | 43.6% | 14.5% | 14.8% | 9.1% |
| 1913 | 150,731,708 | 59,319,374 | 57,450,570 | 39,364,630 |
| | 42.8% | 14.1% | 14.6% | 9.3% |
| 1914 | 181,244,250 | 69,297,332 | 66,737,412 | 25,373,761 |
| | 47.1% | 15.6% | 13.6% | 6.8% |
| 1915 | 178,391,337 | 70,274,706 | 78,211,875 | 21,995,189 |
| | 43.3% | 17.5% | 13.8% | 6.9% |
| 1916 | 164,966,005 | 88,441,745 | 109,651,421 | 26,045,843 |
| | 39.1% | 21.6% | 25.3% | 6.7% |
| 1917 | 146,299,438 | 160,630,493 | 103,280,343 | 27,031,383 |
| | 35.9% | 26.2% | 26.8% | 6.6% |
| 1918 | 137,267,162 | 138,366,771 | 84,173,698 | 22,671,108 |
| | 37.9% | 33.2% | 20.2% | 7.1% |
| 1919 | 136,889,337 | 117,067,967 | 146,229,373 | 36,132,967 |
| | 27.4% | 22.4% | 28.0% | 6.7% |
| 1920 | 234,415,925 | 161,924,339 | 147,654,818 | 25,356,063 |
| | 41.0% | 17.6% | 24.6% | 4.4% |
| 1921 | 202,970,174 | 198,320,120 | 174,470,315 | 31,927,489 |
| | 41.5% | 17.0% | 27.4% | 5.1% |
| 1922 | 245,249,102 | 199,737,441 | 164,614,490 | 43,395,040 |
| | 38.9% | 17.1% | 25.8% | 6.7% |
| 1923 | 250,433,772 | 190,035,479 | 188,149,116 | 44,913,265 |
| | 36.7% | 17.2% | 27.1% | 6.4% |
| 1924 | 155,964,451 | 138,079,492 | 183,170,676 | 48,430,360 |
| | 33.5% | 20.1% | 24.4% | 6.3% |
| 1925 | 218,887,136 | 156,894,678 | 183,435,317 | 72,328,470 |
| | 29.6% | 20.4% | 24.6% | 9.80% |
| 1926 | 314,696,549 | 174,629,754 | 216,618,493 | 9,932,038 |
| | 34.8% | 18.20% | 24.7% | 10.42% |

THE DIRECTION OF CHINA'S FOREIGN TRADE 1925

| Country | Gross Imports | From Exports To | Total |
|---------------------------------|---------------|-----------------|---------------|
| Hongkong | 176,311,082 | 114,714,974 | 291,026,056 |
| Macao | 8,284,720 | 4,068,385 | 12,353,095 |
| Singapore, Straits, etc. | 9,480,650 | 23,875,624 | 33,266,274 |
| Dutch Indies | 37,376,792 | 10,117,253 | 47,494,045 |
| British India | 48,809,844 | 12,776,700 | 61,586,544 |
| Great Britain | 93,187,777 | 47,643,185 | 140,780,962 |
| Germany | 32,510,643 | 16,427,493 | 48,938,136 |
| Netherlands | 11,075,242 | 10,754,556 | 21,829,798 |
| Belgium | 10,785,987 | 3,905,179 | 14,691,166 |
| France | 12,438,967 | 66,077,303 | 78,516,270 |
| Italy | 6,075,798 | 9,902,897 | 15,978,699 |
| Russia & Siberia | 13,455,062 | 47,961,714 | 61,426,776 |
| Korea | 10,033,051 | 34,781,874 | 44,814,925 |
| Japan (inc. Formosa) | 299,755,611 | 186,337,037 | 486,092,648 |
| Canada | 7,210,870 | 1,265,643 | 8,476,513 |
| U. S. of American (inc. Hawaii) | 142,513,422 | 143,235,936 | 285,749,358 |
| Other countries Total | 965,090,593 | 776,352,937 | 1,741,443,530 |

1926

| Country | Gross Imports | From Exports To | Total |
|--------------------------------|---------------|-----------------|--------------|
| Hongkong | 124,472,673 | 93,802,081 | 218,274,704 |
| Macao | 3,874,629 | 2,517,148 | 6,391,777 |
| Singapore, Straits, etc. | 11,339,947 | 30,059,655 | 41,399,602 |
| Dutch Indies | 31,832,943 | 9,889,843 | 41,222,786 |
| British India | 79,191,013 | 15,922,101 | 95,113,114 |
| Great Britain | 116,269,419 | 55,835,783 | 172,105,202 |
| Germany | 45,677,616 | 17,760,894 | 63,438,010 |
| Netherlands | 10,778,903 | 17,804,496 | 28,583,399 |
| Belgium | 14,365,472 | 3,596,057 | 17,961,529 |
| France | 17,016,273 | 68,146,142 | 85,162,415 |
| Italy | 9,150,448 | 13,265,669 | 22,416,108 |
| Russia and Siberia | 5,570,686 | 574,775 | 6,245,661 |
| Korea | 12,552,259 | 46,375,561 | 58,927,820 |
| Japan (inc. Formosa) | 336,909,441 | 211,740,889 | 548,650,330 |
| Canada | 24,049,126 | 1,674,083 | 25,723,209 |
| U. S. of America (inc. Hawaii) | 187,647,086 | 150,113,103 | 337,760,189 |
| Other countries | 113,949,037 | 125,716,850 | 239,665,887 |
| Total | 1,114,646,97 | 864,294,771 | 2,008,941,74 |

Gross value of the direct foreign trade into and from the following customs districts: (1926)

| | Gross Imports | Into Exports From | Total |
|---------------------------------|---------------|-------------------|-------------|
| Shanghai | 596,555,405 | 361,899,940 | 958,455,345 |
| Tientsin | 84,424,291 | 60,614,414 | 145,038,695 |
| Dairen | 102,067,117 | 154,777,998 | 256,845,115 |
| Hankow | 54,319,185 | 23,645,347 | 77,964,532 |
| Canton | 67,174,985 | 45,329,330 | 112,404,315 |
| Kiaochow | 37,082,943 | 35,798,165 | 72,881,106 |
| Kowloon (inc. railroad traffic) | 7,236,809 | 5,298,161 | 12,534,970 |



Eastman Kodak Company

Shanghai Branch

A direct Branch office of the Eastman Kodak Company of Rochester, New York, carrying a complete stock of Kodak goods.

Eastman Service exactly as found the world over, including the processing of Cine-Kodak Film, is available to you in Shanghai.

Kodak products are distributed to all parts of China, including Manchuria, also Hongkong.

EASTMAN KODAK COMPANY

64 Kiangse Road

Shanghai

Libby's



Pure Cow's milk reduced by evaporation containing no preservative or adulterant.

Guaranteed to be pure and sterile.

妙宜老法純奶所比
品衛幼精潔物製利
也生咸良製質淡廠



CONNELL BROS. COMPANY,
17 THE BUND.

Kellogg's



Crisp deliciously browned flakes of high nutritious value.
Many may rival but none can equal—KELLOGG'S.

品無強能証經俱富滋玉氏克
也上身健明醫備色養米精洛
妙誠胃確家屢香豐片製格

Highly recommended by physicians as a regulator of the digestive system



理經總
行洋利公

CONNELL BROS. COMPANY,
17 THE BUND.

ORGANIZED
1853

CASH CAPITAL
G\$18,000,000



America's Largest Fire Insurance Company

FIRE AND ALLIED LINES

THE HOME INSURANCE COMPANY NEW YORK

CHINA BRANCH
FIRE DEPT.

3 CANTON R'D
SHANGHAI

F. E. VINCENT
MANAGER

AMERICAN CHAMBER OF COMMERCE BULLETIN

JANUARY 1928

SHANGHAI, CHINA,

No. 150

Humanitarian Co-Operation

*Chicago Tribune Reverses Policy on China;
Stand Now Similar to that of Chamber of Commerce.*

THE editorial from the *Chicago Tribune*, reprinted at the end of this article, takes on added significance from the fact that this newspaper has steadily opposed intervention in China. American business-men and residents in China are fully cognizant of the sufferings of the Chinese people. They realize that under normal conditions the Chinese people are friendly, sympathetic and good customers. Since 1923, they have witnessed a curious spectacle of intervention in China by Soviet Russia without a word of protest from Western Powers, whose interests were being placed in jeopardy. From January, 1924 until August, 1927, Michael Borodin, supported by 300 Soviet Russian advisors, was without question dictating all South China. The attacks made upon the Communist Party of China and the Russian predominance over the Kuomintang at recent conferences of this Party and the action taken by the Nationalist Government last month in dismissing from their territory all Russian Consulates, proved that this intervention was real and vital and that the economic and psychological suffering of the American business men and the American residents in China during the past two years was due not to the hatred of the Chinese people for foreigners, but to the Russian intervention, to which the Chinese submitted in the hope of thus achieving their national aspirations.

In the course of this intervention whole areas of China have been devastated by civil war and even today the provinces of Hupeh, Kwangtung, Kwangsi, Honan, Northern Kansu and Shantung are battlefields. The business man is confused not only by the fact of closed markets, but by the impoverishment of his customers. Whereas there has been famine in North China, the crops of Central and West China have been bountiful. It is even reported that in the region about Shanghai the crops have been better than in any year since the founding of the Republic; yet, because of poor communications, the unsound attitude of the Government and the incessant civil wars, prices are low and the people are suffering.

Experience has indicated that a year of peace and all these regions will be blossoming with prosperity, so great is the power of recovery of the Chinese people. Yet, there seems to be no indication of peace in the immediate future and whereas trade should, in a year of good crops, increase by leaps and bounds, the trade last year actually decreased because of civil wars, anti-foreign agitation and whimsical and exorbitant taxation. The decrease amounted to approximately G. \$35,000,000, while if there were a short period of peace the increase would be enormous.

(Continued on Page 4)

Long Task Ahead To Remake China A Modern Nation

*Intrenched Traditions Still Hold Back Progress, Unification
Only Dream, but Ideals of Nationalism
are Gaining Impetus.*

*The following article is the twelfth of a series published in The New York Evening Post,
which gives a background to current events in present day China.*

GEORGE E. SOKOLSKY

IN THE summary of the Communist movement in China, with its intimate relationship to the Nationalist movement, the strength and importance of the Kuomintang as a political agency and of Nationalism as a motivating force were never minimized.

The Nationalist armies may win or lose territory; the people may suffer more under Nationalist officials than under the Northerners—the fact remains that the Western conception of a state as a nation rather than as the possession of an individual, be he an Emperor or a satrap, has taken hold of a sufficiently large and important element of the Chinese people.

The Christian missionary, the American university man, the spread of the vernacular press in China, motion pictures, modern machinery, the telegraph and the telephone, railways and steamships, the great war, all the interrelations of modern Western life have played together like bursting atoms to produce this marked change. In the larger cities the change is self-evident; in the interior it is perhaps imperceptible, but it is there, nevertheless.

The day when an Emperor or a dictator, "a strong man," can rule China is past. The people passively resist strong domineering men. They have not yet found a democratic means of self-expression; they still resort to riots and civil wars to make their wishes effective, but in increasingly numerous small groups the leaven of democracy is producing an altered view of political relationships.

The most serious problem facing China at the moment is to elevate these scattered and different forces to a more even and uniform political and economic viewpoint and to develop them into a single state, governed by a central Government. All Chinese political groups envisage this need and all foreign Powers advocate it.

Yet it is becoming constantly more evident that the unification of China as a political entity governed from one capital is an impossibility, a hopeless dream for decades to come, because China is historically and traditionally rather a union of states than a single homogeneous nation.

To refer to the size of China is almost a trite truism, yet without a comprehension of the size and complexity of the country there can be no understanding of the difficulties of unification, the impossibility of bringing together the huge areas at present comprising the Republic of China under a single Government.

China, without Tibet, contains 3,815,032 square miles, which is a larger area than the United States, Mexico, Iceland and Cuba put together.

The estimated population of China is 400,000,000 human beings. To obtain a graphic view of such a huge conglomeration of people under one flag, it should be noted with the utmost understanding that there are as many people in China as in the United States, France, Italy, Germany, Japan, Great Britain, and Northern Ireland, Belgium, Cuba, Czecho-Slovakia, Denmark, Egypt and Greece put together.

There is not a single fact in Chinese history or ethnology to indicate that the beings in this vast mass are of the same racial origin. The reiteration that the small Chinese nation which originally came down from Turkestan along the Wei River to occupy what is now Shensi, Honan and Shantung, were always fighting barbarians is an indication that that mixture of races which produced the heterogeneous people of Europe operated similarly in the territory known as China.

We have already referred to the Hakkas, but active in China today; the Hoklos, Lolos, Miao,

(Continued on page 5)

AMERICAN CHAMBER OF COMMERCE BULLETIN

PUBLISHED MONTHLY BY THE
AMERICAN CHAMBER OF COMMERCE
305 Robert Dollar Building,
Shanghai, China.

Cable Address "Amchamcom."
Advertising Rates furnished upon request.

Board of Directors 1927-28

President:

C. H. FRENCH, Andersen, Meyer & Co., Ltd.

Vice-President:

S. C. KINGSBURY, Connell Bros. Co.

Treasurer:

F. J. RAVEN, Raven Trust Co. Ltd.

C. B. ARTHUR, Liggett & Myers Tobacco
Co., China.

W. H. BOLTON, W. H. Bolton Bristle Co.

T. J. COKELEY, The Robert Dollar Co.

R. F. EVANS, C. K. Eagle & Co. Inc.

WM. S. FLEMING, Fleming & Allman.

C. B. GARDNER, Standard Oil Co. of N. Y.

J. B. MURRAY, The Texas Co.

WARREN MANLEY, Secretary.

Chinese Laws Affecting Foreigners

Nationalist Government Ministry of Justice

ORDER No. 20

TRANSLATED BY N. F. ALLEMAN

This order is issued pursuant to despatch number 277 dated August 15, 1927 received from the Secretariat of the Nationalist Government transmitting an order of the Government dated August 11, 1927, as follows:

"The Nationalist Government needs immediately all kinds of laws and ordinances, and pending the promulgation thereof, all these substantive laws, codes of procedure, and appurtenant rules and orders which have been promulgated or are in effect are continued in force temporarily; except where inconsistent with the Kuomintang aims and principles or where in conflict with the laws and orders of the Nationalist Government. There are two interdependent matters of immediate importance in the application of the laws, viz., the establishment of a supreme court, and the codification of the laws, the first to be an organ of last resort in litigation and to explain and unify the law, and the other to arrange and promulgate laws for the promotion of government and order. The Ministry of Justice is hereby ordered to make preparations accordingly and is charged with the responsibility of carrying out the foregoing so that the law may be observed."

Having received said order as copied above, it is transmitted for the attention and guidance of those concerned. This Ministry has already prepared and submitted regulations for the organization and establishment of the Supreme Court. This Ministry is now considering the codification of the laws and as soon as an adequate plan is prepared the same will be submitted to the Nationalist Government for approval. After approval said laws will be promulgated and published. In addition to other notifications this notice is hereby despatched for attention. Those concerned will notify their subordinates accordingly.

By order

Wang Chung Hui
Minister of Justice.

Nanking.

August 29, 1927.

Enquiries on the above series should be addressed to the editor.

Owing to the holidays, only one Board Meeting has been held since the last issue of the BULLETIN.

January 6: Consul General Cunningham informed the Board of Directors regarding the latest instructions from Washington, relative to the Nationalist Trademark Laws and the registration of foreign firms.

The membership of the American Chamber in the International Chamber of Commerce was dropped.

Mr. Fleming, as Counsel for the Chinese Eastern Railway, explained the position that their office was in, due to the fact that the Nationalist Government had closed the office owing to Russian affiliation. Mr. Fleming further mentioned that the Mark L. Moody Company was the only American firm seriously affected by not being able to make deliveries. It was decided to bring the matter to the attention of the American Consul, pointing out that the action of the Nationalist officials was prejudicial to American interests.

Mr. F. F. Fairman, past President of the Board, was welcomed back to Shanghai by President French, who called upon him for a few remarks. Mr. Fairman replied, telling of his recent trip to America and the attitude of American Business and Government towards the situation in China.

China's Exports To U. S. Suffer Only Slightly In 1927

Foreign Trade As A Whole Declines; China Year Book For 1928 Gives Statistics

WHILE the Chinese Maritime Customs returns for the last year indicate a difference of some nine million taels in revenue during the last year as contrasted with the year 1926, a loss indicating a decrease of about ten percent in foreign trade, the statistics on trade between China and the United States, during the year 1927, complete up to and including November, show a drop of less than two millions from the corresponding period of the preceding year, in export alone. The imperfect figures thus far available for the last year, which was one of the worst in China's revolutionary history for business generally, therefore should be somewhat reassuring to the foreign business man in China.

The statistics given out by American Consul-General Edwin S. Cunningham for the exports to the United States in this last period, with comparative figures for 1926 follow:

| Group | Recapitulation: | |
|---|-----------------------------|-----------------------------|
| | Jan. to Nov. 1926 inclusive | Jan. to Nov. 1927 inclusive |
| 01 Animals and animal products | 7,212,319 | 6,184,949 |
| 02 Animals and animal products inedible, except wool and hair | 30,964,934 | 36,132,136 |
| 1 Vegetable food products and beverages | 6,538,442 | 6,493,141 |
| 2 Vegetable products, inedible, except fibers and wood | 12,877,453 | 13,208,911 |
| 3 Textiles | 63,263,890 | 55,765,374 |
| 4 Wood and paper | 442,254 | 311,234 |
| 5 Non-metallic minerals | 305,380 | 409,624 |
| 6 Metals and manufactures, except machinery and vehicles | 3,460,885 | 2,166,084 |
| 7 Machinery and vehicles | | |
| 8 Chemicals and related products | 729,784 | 519,319 |
| 9 Miscellaneous | 4,612,369 | 847,002 |
| Total | 130,403,710 | 122,036,873 |
| Gold bars | 252,536 | 6,498,136 |
| Grand Total | 130,656,246 | 128,535,009 |

What the year-end figures will show, both as regards general trade and the import and export figures of the United States with China, in all probability, will be in proportion to the figures already

available. Imports, of course, have suffered more than exports.

The China Year Book for 1928, which has just come off the press, shows in great detail all the authentic trade returns complete up to the beginning of 1928. This shows a constant increase in foreign trade over the last ten years, and that it has virtually doubled in this decade. The Customs Revenue total collections for 1925 are Tls. 70,725,667, as compared with Tls. 37,764,311 in 1916. The value of the foreign trade in 1925 totalled Tls. 1,724,217,881. Of this trade Shanghai's share was more than 40 percent, or Tls. 738,073,279. America still ranks third in the foreign nations engaged in the carrying trade, with Britain and Japan leading, and France fourth.

(Continued from page 1)

The American business man in China sympathizes fully with the national aspirations of the Chinese people. He appreciates the spiritual meaning of their struggle for equality, but he deprecates their unwillingness to employ methods which will bring peace and prosperity to the Chinese people. He notes with considerable concern that instead of the physical basis of the Chinese people improving from year to year, that there has during the past decade been a retrogression. Instead of more railroads and more roads being built, the rolling stock of the railroads have depreciated through their misuse by soliders and there have been no replacements during the past two years. As for roads, there has been some improvement, but the new roads have been inadequate both from the standpoint of mileage and of permanency of construction.

The American Chamber of Commerce supports every progressive measure which will bring peace and prosperity to the Chinese masses, their customers, but they cannot ignore the fact that there are at present no Chinese agencies at work which are, in a large way, laboring for the welfare of the people. Education is neglected and sanitation is ignored. Lack of communications prevents the Government from unifying its authority and the inadequate means of transportation isolate regions of prosperity and prevent the movement of goods into regions of want.

This problem must take on an international character, as the economic bankruptcy of China will eventually affect the markets of the world. A prosperous and happy China would mean increased markets for American goods and a humanitarian co-operation in China by Americans in the interest of the Chinese people would be an investment as remunerative in the increased consumption of goods as it would be in the moral upliftment of a huge portion of mankind.

"Time conquers the less progressive portions of the globe by famines, plagues, and organized murder, or else by intervention, or imperialism, or whatever you wish to call it.

In the Latin and the brown nations of the Caribbean and Central America the United States has constituted itself the agent for the latter method. In China, agreement amongst the nations permits the nations permits the more natural system of evolution to run its course.

Though not uniformly successful, the guardianship of the United States has worked fairly well. At a comparatively small cost in lives and suffering it has turned disorder into order and savagery into something with a veneer of civilization. It has been fairly altruistic also. American gains have been matched by Haitian, Porto Rican, Nicaraguan, Cuban and Panamanian Profits. While the protection of legitimate American interests has been the cause of intervention rather than a spiritual desire to bring sunlight into dark souls, the countries and the people where the United States stepped in have not been exploited for selfish American ends.

Then we read dispatches from China. Twenty thousand refugees from Shantung province are begging, famished and half naked in the streets of Tsinan. "The colossal shadow of human disaster unequalled since the world flood settles over China", writes Charles Daily. He tells the case of the town of Shihchiachwang, a town to compare, he says, with Bloomington, Ill. The town is a skeleton now, devastated, depopulated, ruined; the houses of the farmers, empty mud walls; and the wells fouled by the bodies of the girls who leaped in to escape the ravishing soldiery.

International jealousies, very practical economic reasons, and a high minded desire to let China work out its own destiny in keeping with its aspirations for sovereignty and all these supported in America by pacifism and sentimentalism—have kept the Powers, including the United States, from intervening in China beyond the protection of their nationals.

But intervention or imperialism—or whatever you choose to call it—has its advantages. It has its advantages if the prevention of human suffering is in itself, with regard to the more ruthless natural law, desirable."

(Continued from page 2)

Tibetans, Turki peoples, Mongols, Manchus, Koreans, Shans, etc. These people have produced mixed types with the Chinese through marriage or by the marching of armies through the country.

In the North there have been admixtures with Russians, Tungus, Tartars, Turks, Persians, Afghans. In the South there has come the new race of Eurasians, the mixture of European with the Salt Water women of Canton and Hongkong, to replace the red-haired mixture of Arab with Chinese centuries ago in Chekiang and Kiangsu.

The Republic from the start attempted to govern the whole of China from one capital and failed. There has not been a moment of governmental success since the Republic was founded, not even when that very strong man, Yuan Shih-kai, ruled, because of the initial error of interfering with what we in America should call States' rights.

The Nationalists are afraid of States' rights because they believe that it might make a partition of China easier, if the imperialistic powers sought to take advantage of China's weakness. But Dr. Sun, who envisaged the problem in all its complexities, advocated village autonomy, even going further than the average Chinese would do. And he was right.

Except in foreign affairs, inter-provincial communications, the post office, defense of borders and such generalized tasks, China is not prepared for national government any more than the United States of Europe is a practical possibility at the present time.

In the past, two forces bound the Chinese together, the Confucian philosophy and the family system.

Through the family system, the scholars of China forced on the people a concept of obedience which has kept China together but backward, which has prevented the nominal break-up of the state but has actually broken her up into as many families as there are in the country. Each family is a kingdom and each father is a king. Under the empire all these kings recognized the overlordship of their father, the Emperor.

Thus the state held together. Rebellions were family quarrels; reconciliations were family reconciliations. It was only when the outsider, who had not been nurtured on this system of obedience, rebelled that any radical change was made in China, but the inferior barbarians, who from time to time conquered China, utilized it to keep them in power.

The Kuomintang attacked this system as futile and as holding China backward. For sixteen years the Republic has been attempting to reorganize these millions of family kingdoms into a single centralized state, and has failed. The failure was inevitable, because the Komintang spoke of constitutionalism, democracy and such concepts which meant little.

Now, the Kuomintang, since 1924, has sternly provoked an interest in nationalism, in international equality, in a sense of undivided fealty to the State. The State before all else—even before the family!

Foreign and unusual as this concept is, it is catching hold of the imaginations of increasingly large numbers of Chinese. That does not mean that this year or next year China will solve her multifarious problems through Nationalism, but it does mean that when the Chinese state comes into existence it will be through the interplay of such forces as this Nationalism is now engendering.

The anti-foreign issue is the bulwark of such a tendency. Chinese are being taught to be ashamed of their inequality. They are being trained to believe that their inequality is entirely due to their inability to appreciate the principles of Nationalism and their unwillingness to serve the National state.

Dr. Sun Yat-sen told them in his "Three People's Principles" that they only had ten years in which

to rescue their country from the unequal position in which it found itself, and failing to accomplish this task the Chinese country would be partitioned among the foreign Powers and the Chinese people would literally become enslaved to foreigners. To be opposed to Nationalism meant to be a "running dog of imperialism," that is, to lose face. The idea is taking hold. As increasingly large numbers of Chinese go to school and read books and newspapers, the ideal of Nationalism will be more widespread. In education there lies the only hope of ever creating some form of National State in China.

What of the future? No people, no old people like the Chinese, can be remade in the course of a few years. The psychological habits, the social institutions, the underlying traditions, handed down by the grandmothers at the cradle, carefully ground into the memories of children by the mothers and nurses, pounded into the boys by their fathers and uncles, remain with them even when intellectually they fight them.

Men who write against the family system continue to practice its most vicious characteristics in their own families. They cannot help it. Their wives and daughters oppose their radicalism because it might endanger their social position.

Men who have had no experience in government, who have grown up under a system which resembles the Tammany Hall of Boss Tweed's day, who have been encouraged to regard the public and private purse as identical, cannot, no matter how hard they try, always function in accordance with the higher Western standards of official responsibility.

But that will come in time. It will come as more and more unofficial Chinese reach official rank.

It is interesting that two of the worst financial statements possible, full of holes and indicative of great corruption and abuse, were recently published by Nationalist officials. The significance lies in the fact that the statements were published. Never before had an official regarded it as necessary to give a report.

These statements have hardly been criticized, because the vernacular press dares not question the men who rendered them. But that day will also come. In a word, we are back to the beginnings of responsible government. China has to move over these centuries rapidly, and yet what a huge territory and how many millions of human beings have to be brought within a reasonable degree of similar thinking and living while the machine of modernity grinds out of it all a modern state.

The process will be slow, frightfully, heart-breakingly slow. There will be no quick turnover from disordered feudalism to modernity as Japan witnessed. There cannot be, for Japan was a tiny dot on the map with a small population ready for the change.

The Chinese people are not yet ready for the change. Nationalism is preparing them, but the preparations take time and are hampered and impeded by all the cohesive forces of conservatism in a country where the retention of old customs has been a sacred virtue.

China needs time. That is all that she should ask of the world today—time!

In Spite of BAD TIMES!

The Principal Engineering, Industrial, and Financial Firms doing Business in the Far East continue to Advertise in

The Far Eastern Review

The Soundest Advertising Medium to Keep a TRADE NAME Before the Far Eastern Purchaser and Trader. During the last three Months of 1927:

The Far Eastern Review

Carried an Average of 63 Pages of Advertising

ADVERTISERS REPRESENTED THE FOLLOWING COUNTRIES:

| | |
|--------------------------|---------------|
| United States of America | 15 Pages—24 % |
| Great Britain | 14 .. —22 % |
| Japan | 27 .. —43 % |
| Other Countries | 5 .. —8 % |
| Miscellaneous | 2 .. —3 % |

International Advertisers KNOW a Good Advertising Medium. They Use

The Far Eastern Review

George Bronson Rea, Editor

George E. Sokolsky, Associate Editor.

16 Jinkee Road, Shanghai, China

| | |
|-----------------------|--------------------------|
| <i>Great Britain:</i> | <i>Germany</i> |
| Walter Judd, Ltd., | Rudolf Mosse, |
| 47 Gresham Street, | 46-49 Jerusalem Strasse, |
| London, E.C. 2 | Berlin, S.W. 19 |

United States:
Major Jack Hamilton,
50 Church Street
New York.

COMPLETE INSURANCE SERVICE IN NEW YORK FOR THE FAR EAST

American firms with interests in the Far East will find great value in the unusual facilities now offered by the American International Underwriters of New York. This Company, in affiliation with the American Asiatic Underwriters, operates fifteen branch offices in fifteen cities throughout the Orient.

Rates quoted and all forms of insurance effected conveniently and quickly covering property anywhere in the Far East.

AMERICAN INTERNATIONAL UNDERWRITERS

CORPORATION

709-710 UNDERWRITERS BUILDING

123 WILLIAM STREET

NEW YORK

We specialize in Shanghai Real Estate Investments.

Let us advise you before Buying or Building

E. SUENSON & CO., LTD.

38, AVENUE EDWARD VII.

COMPLETE INSURANCE SERVICE
 FROM THE SKIN IN CHINA TO THE FINISHED WOVEN FABRIC

C. K. EAGLE & Co. Inc.

SILK MANUFACTURERS

NEW YORK

RAW SILK
 BUYING OFFICE
 SHANGHAI

Plants at Shamokin, Kulpmont, Phoenixville,
 Bellefonte, Bethlehem, Mechanicsburg &
 Gettysburg, in Pennsylvania.

100-110 UNDERWITERS BUILDING

NEW YORK

Packard

A MOTOR CAR

for



EVERY PURSE & PURPOSE

Mark L. Moody
 FEDERAL INC.
 U.S.A.

After we Sell—WE SERVE

Why Walk? Easy Payments



Eastman Kodak Company

Shanghai Branch

A direct Branch office
 of the Eastman Kodak
 Company of Rochester,
 New York, carrying a
 complete stock of Kodak
 goods.

Eastman Service exactly as found the world
 over, including the processing of Cine-Kodak Film, is
 available to you in Shanghai.

Kodak products are distributed to all parts of
 China, including Manchuria, also Hongkong.

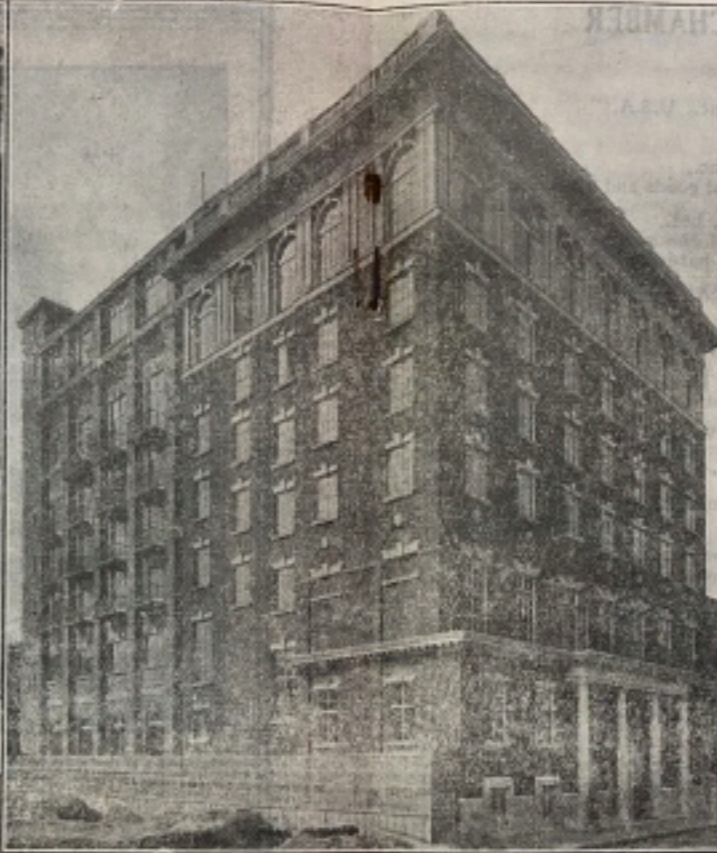
EASTMAN KODAK COMPANY

64 Kiangse Road

Shanghai



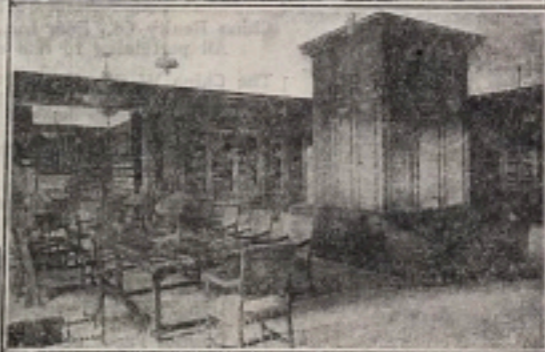
THE MAH JONG ROOM



THE AMERICAN CLUB, SHANGHAI



LIBRARY



THE BAR



THE CARD ROOM



THE AMERICAN EAGLE IN THE LOBBY



Faint vertical text on the left margin, including 'Kodak' and 'Company'.

Faint vertical text on the right margin, including 'CORPORATE' and 'Members'.



CORPORATE MEMBERS OF THE AMERICAN CHAMBER

- Admiral Oriental Line, Steamship operators.
 E. C. Allan, Exchange and bullion broker.
 American Asiatic Underwriters, Fed. Inc., U.S.A., Insurance.
 American Bank Note Co., Bank note makers.
 American Bureau of Shipping, Classification and record of American and foreign shipping.
 American Drug Co., Wholesale, retail and manufacturing chemists.
 American Express Co., Inc., International banking, shipping, travel and foreign trade.
 American Foreign Insurance Assn., Inc., Fire and marine insurance.
 American Metal Co., Ltd., Metals.
 American Milk Products Corp., Milk products.
 American-Oriental Banking Corp., Bankers.
 American-Oriental Finance Corp., Financing.
 American Printing Co., Printers.
 American Trading Co., Inc., General and construction engineers, importers and exporters, manufacturers' agents.
 The Amos Bird Co., Inc., Exporters of egg products.
 Andersen, Meyer & Co., Ltd., Engineers and contractors, exporters, importers manufacturers and insurance agents.
 Anderson, Clayton & Co., Importers of American raw cotton.
 Asia Life Insurance Co., Inc., Insurance.
 Asia Realty Co., Fed. Inc., U.S.A., Real estate.
 The Ault and Wiborg China Co., Importers of paper, inks, printing machinery and supplies, paints and varnishes.
 Belting and Leather Products Assn., Inc., Importers of leather belting and leather products.
 Bill's Motors, Fed. Inc., U.S.A., Motor cars.
 W. H. Bolton Bristle Co., Sterilization and dressing of bristle.
 H. B. Campbell, Paint stocks and paint contracting.
 Chalaire and Franklin, Attorneys-at-law.
 China Electric Co., Ltd., Manufacturers of, and agents for telephone, telegraph and electrical equipment.
 China Fibre Container Co., Manufacturers of fibre boxes and toilet paper.
 China Finance Corp., Fed. Inc., U.S.A., Holding corporation.
 China General Edison Co., Inc., Manufacturers of electrical goods and accessories.
 China and Japan Trading Co., Ltd., Importers, exporters and commission agents, import piece goods, metals, hardware and sundries.
 China Motors, Fed. Inc., U.S.A., Motor cars.
 The China Press, Inc., Publishers of THE CHINA PRESS.
 China Realty Co., Fed. Inc., U.S.A., All pertaining to real estate.
 The China Weekly Review, Weekly publication.
 V. Clair, Exchange broker.
 Commercial and Credit Information Bureau, Credit service.
 Commercial Express and Storage Co., Forwarding agents, warehouseness, etc.
 Commercial Pacific Cable Co., Pacific cable.
 Connell Bros. Company, Importers, and exporters food products, etc.
 The Cosmos Paper Co., Fed. Inc., U.S.A., Importers and dealers, paper and printers supplies.
 Carl Crow, Inc., Advertising and merchandising agents.
 R. A. Curry, Architect.
 Davies & Bryan, Attorneys-at-law.
 Roy E. De Lay, Manufacturers of telephone apparatus.
 I. Delbourgo, Tobacco.
 Dodge & Seymour (China) Ltd., Import merchants and manufacturers agents, motor cars, typewriters, electrical goods, paints, etc.
 The Robert Dollar Co., Lumber, shipping and general merchants.
 C. J. Doughty & Co., Fed. Inc., U.S.A., Heating and sanitary installations.
 E. I. Du Pont de Nemours Co., Inc., Importers of indigo, aniline dyes and chemicals.
 C. K. Eagle Co., Inc., Raw silk export.
 Eastman Kodak Co., Kodak photographic supplies.
 Eisler, Reeves & Murphy, Inc., Marine and cargo surveyors and naval architects.
 Elbrook, Inc., Import, export and carpet manufacturers.
 Engineering Equipment Co., Fed. Inc., U.S.A., Mechanical and electrical engineer.

- Equitable Eastern Banking Corp., Banking.
 L. Everett, Inc., Steamship agent.
 The Far Eastern Review, Monthly trade and engineering journal.
 Fessenden & Holcomb, Attorneys-at-law.
 Fleming & Allman, Attorneys-at-law.
 The Ford Hire Service, Inc. Taxi. or hire business.
 Foster-McClellan Company, Manufacturing chemists.
 Getz Bros. & Co., Inc., Importers of provisions, hardware, leather, glass, metals, etc.
 A. T. Gillespie, Sales brokers, food products.
 H. Gulick, Exchange broker.
 A. R. Hager, Business equipment.
 Haskins & Sells, Certified public accountants.
 Heacock & Cheek Company, Manufacturers' representatives and wholesale jewellers.
 H. S. Honigsberg & Co., Fed. Inc., U.S.A., Importers and distributors of motor cars.
 Robert Lang, Fed. Inc., U.S.A., Silks and silk machinery.
 Liggett & Myers Tobacco Co., Tobacco products.
 McKesson & Robbins, Inc., Exporters—Chinese produce.
 Mark L. Moody, Fed. Inc., U.S.A., Motor car distributors.
 David L. Moss & Co., Inc., Importers and exporters.
 National Aniline & Chemical Co., Inc., Manufacturers and importers of synthetic indigo, aniline dyes and chemicals.
 The National City Bank of New York, Banking.
 Oil Export Co., Importers of lubricating oil and kerosene.
 Oriental Alcoa Ltd., Aluminum in all forms.
 The Palmolive Peet Company, Soaps and toilet preparations.
 Raven Trust Co., Fed. Inc., U.S.A., Financial agents.
 F. V. Reilly, Exchange broker.
 N. T. Saunders, Exchange broker.
 Singer Sewing Machine Co., Sewing machines.
 Squires Bingham Co., Sporting goods and gift shop.
 Standard Oil Co. of New York, Lubricating oils and petroleum products.
 E. Swenson & Co., Ltd., Architects and building contractors.
 Sunland Sales Assn., Inc., Agents for Sun-Maid Raisin Growers.
 The Texas Company, Petroleum products.
 Tobacco Products Corp., (China), Tobacco products.
 Tobacco Trading Corporation, Leaf tobacco merchants.
 G. E. Tucker, Exchange broker.
 U. S. Rubber Export Co., Ltd., Importers of rubber goods.
 U. S. Steel Products Co., Products of American steel manufacturers.
 U. S. Testing Co., Inc., Operating the Shanghai Testing House for conditioning silk.
 Universal Hire Service, Fed. Inc., U.S.A., Car hire and light hauling.
 Universal Leaf Tobacco Co. of China, Inc., Leaf tobacco.
 Upson Paint Co., Inc., Decorators, furnishers and builders.
 Vacuum Oil Co., Inc., Petroleum products.
 Viloudaki & Company, Merchants and commission agents, public inspectors of silk goods.
 C. M. Wentworth, Exchange broker.
 West Coast Life Insurance Co., Life insurance.
 Westinghouse Electric International Co., Electrical apparatus for every purpose.
 York Shipley Incorporated, Ice making and refrigerating machinery.

Individual Members.

- | | |
|---------------------|----------------------|
| A. D. Adamson | E. Loebbert |
| V. H. Armstrong | V. G. Lyman |
| J. M. Avent | R. D. Marshall |
| A. Bassett | F. W. McIntyre |
| W. C. Belknap | J. V. Murray |
| E. G. Berrien | V. Olson |
| W. H. Bolton | G. W. Philleo |
| Wm. Cohen | J. S. Potter |
| T. J. Cokely | H. D. Potts |
| F. D. Drake | W. A. Reed |
| R. F. Evans | John Rieger |
| Charles J. Ferguson | F. L. Robbins |
| G. A. Fitch | A. D. Robinson |
| A. E. Fitzsimmons | C. L. Seltz |
| C. C. Foulk | G. L. Sheeks |
| C. S. Franklin | A. P. Shield |
| Leon Friedman | J. C. Shengle |
| Max Friedman | H. J. Sheridan |
| C. B. Gardner | Geo. E. Sokolsky |
| H. E. Gibson | C. J. Spiker |
| E. B. Gregory | E. H. Staber |
| R. H. Gregory | O. G. Steen |
| H. O. Hashagen | Harvey V. Stokely |
| W. S. Hibbard | F. W. Sutterlie, Jr. |
| W. G. Hoffman | F. W. W. Tower |
| James M. Howes | E. M. van Bergen |
| A. E. Jackson | Wm. Van Buskirk |
| Otto Kabelitz | P. H. Vanmeter |
| A. Fleming Kimball | R. G. Viloudaki |
| S. C. Kingsbury | C. F. Wolsiffer |
| R. L. Larson | |

FIFTEEN A. A. U. OFFICES

throughout the Far East.

Few people realize the importance of Branch Offices as a factor of *complete* insurance service.

No other form of organization can assure such prompt and efficient settlement of claims or that continuity of friendly relations between the insured and the Company which makes possible liberal protection based on the spirit of the relationship rather than the letter of the policy.

AMERICAN ASIATIC UNDERWRITERS

All forms of insurance written.

Head Office: Shanghai

Central 8244 :: :: :: 17 The Bund



EAST OR WEST

TYRES AND ACCESSORIES, MOTOR CAR FABRIC,
CANVAS FOOTWEAR, BELTING,
RUBBER FOOTWEAR, DRUGGIST SUNDRIES,
WATER-PROOF CLOTHING, MECHANICAL LINES,

United States Rubber Export Co., Ltd.

17 JINKEE ROAD

SHANGHAI



EAST OR WEST

A Service Unexcelled

The palatial "PRESIDENT LINERS" of the Dollar Steamship and American Mail Lines accord you the finest in Ocean Transportation. The public rooms are luxuriously appointed and commodious. The wide decks as well as the glassed-in promenade permit of deck games, strolls, long rows of steamer chairs and that appreciated sense of sheer enjoyment.

The Cuisine is world famous. Crisp lettuce, celery, fruits, fresh milk, eggs, meats, all delectably prepared by competent and skilful chefs. The service is all that you could desire.

The staterooms on "PRESIDENT LINERS" are all outside, large and beautifully furnished. Beds ensure maximum travel comfort. Hot and cold running water, wardrobes, mirrors, reading lamps, thermos bottles, fans. Many rooms have private tub and fresh water baths. You will enjoy traveling to America, Interport or Round the World to Europe on these great modern, fast Liners.

WEEKLY SAILINGS TO AMERICA

ONE WEEK TO SAN FRANCISCO AND LOS ANGELES VIA HONOLULU
 FOLLOWING WEEK TO VICTORIA, B.C. AND SEATTLE VIA THE SHORT ROUTE
 FORTNIGHTLY ROUND THE WORLD VIA HONGKONG, MANILA, STRAITS, COLOMBO,
 EGYPT, ITALY, FRANCE, TRANSATLANTIC TO BOSTON AND NEW YORK

DOLLAR STEAMSHIP LINE AMERICAN MAIL LINE

The Robert Dollar Co., General Agents.

BRANCH OFFICES IN ALL PRINCIPAL CITIES AND ROUND THE WORLD

BRANDS ANDERSEN, MEYER & CO., LTD.

The brands of the products exported by the United Kingdom are famous in every part of the world.

Engineers and Contractors

Importers, Manufacturers, Insurance Agents

Head Office

4/5, 8 Yuen Ming Yuen Road,

SHANGHAI

Branches at Tientsin, Hankow, Hongkong, Canton,

Peking, Mukden, Tsinan, Harbin,

London and New York.





FROM
UNITED STATES STEEL
PRODUCTS COMPANY
NEW YORK, U. S. A.



APOLLO
FROM
UNITED STATES STEEL
PRODUCTS COMPANY
NEW YORK, U. S. A.

BRANDS

That Have Made Their
Mark in the World

The brands of the products exported by the *United States Steel Products Company* are famous in every part of the world.

The continued demand for these brands is the result of the successful cultivation of world-wide goodwill. It is this policy which constantly and consistently characterizes the dealings of the *United States Steel Products Company*, who are exporters of the products of

CARNEGIE STEEL CO.
ILLINOIS STEEL CO.
AMERICAN STEEL & WIRE CO.
AMERICAN SHEET & TINPLATE CO.
AMERICAN BRIDGE CO.
NATIONAL TUBE CO.
TENNESSEE COAL, IRON & RAILROAD CO.
MINNESOTA STEEL CO.
LORAIN STEEL CO.

*Branches and warehouses in all the principal
cities of the world*

United States Steel Products Co.

EXPORT REPRESENTATIVES.

Shanghai Office:

Union Building, 1 Canton Road

Cable Address: "Steelmaker, Shanghai."

Tokyo Office:

Yusen Building, Marunouchi

Libby's



Pure Cow's milk reduced by evaporation containing no preservative or adulterant.
Guaranteed to be pure and sterile.



妙宜老法純奶所比
品衛幼精潔物製利
也生咸良製質淡廠

CONNELL BROS. COMPANY,
17 THE BUND.

Kellogg's



Crisp deliciously browned flakes of high nutritious value.
Many may rival but none can equal—KELLOGG'S.

品無強能証經俱富滋玉氏克
也上身健明醫備色養米精洛
妙誠胃確家屢香豐片製格

Highly recommended by physicians as a regulator
of the digestive system



理經總

行洋利公

CONNELL BROS. COMPANY,
17 THE BUND.

ORGANIZED
1853

CASH CAPITAL
G\$18,000,000



America's Largest Fire Insurance Company

FIRE AND ALLIED LINES

THE HOME INSURANCE COMPANY **NEW YORK**

CHINA BRANCH
FIRE DEPT.

3 CANTON ROAD,
SHANGHAI

F. E. VINCENT
MANAGER

- 2 -

E D I T O R I A L

In the last issue of our Bulletin we published an article setting forth the business man's point of view in regard to the question of abolition of extraterritoriality. The Commonwealth Club of California has been making a careful study of the situation in China, feeling that the problems involved are of especially vital importance to Californians. We publish in this issue a paper read at a meeting of the Commonwealth Club at San Francisco last April and embodied in the May 10th issue of the Club's official organ "The Commonwealth". The article presents the viewpoint of a noted American jurist, who has not only seen active legal service in Shanghai but has acquired intimate knowledge of Far Eastern affairs through a long residence in the Philippines. He was

Judge Williams' article recites the principal facts and circumstances surrounding the considerations which have

already been given to the subject of extraterritoriality in China by the nations concerned. In setting out the facts in concise form, he has done a real service to those who would gain a balanced viewpoint on this whole China problem.

The propagandists would sway American public opinion in regard to China by appeal to American sympathy on those basic principles of freedom, and national sovereignty, which Americans understand so well as forming the foundation for our own national development.

The uninformed American is led to believe that the Chinese revolution is an exact parallel to our own struggle for freedom. It is a purely human tendency to be prone to judge new situations by our own past experience and the uninformed American editor or man in the street can scarcely be blamed for taking at its face value the propaganda which would have the outside world believe that China's ills are due to "infringement by foreign Powers on her territorial sovereignty in the holding of concessions", to "extraterritoriality which gives foreigners in China privileges which

the Chinese themselves do not have", and that therefore until the "unequal treaties" are abolished, and concessions and extraterritoriality are done away with, China cannot progress as a "free and independent nation".

The average person is willing to accept these statements for just what they appear to be worth, but the seeker after truth, the student who would go to the bottom of the subject, looks beneath the surface for basic facts. It is, therefore, a wholesome indication to find an institution such as the Commonwealth Club of California seeking after truth, making an effort to arrive at an understanding of the facts, rather than being swayed by purely sentimental considerations of certain principles which do not apply to the China situation in the same way in which they applied to the struggle of our pioneer forefathers first in their desire for religious freedom and then for political freedom in the development of democracy.

Something of disgust arises in the bosom of an informed
the
American when/American educated agitators of the Chinese

revolution stir up unwarranted anti-foreign feeling among this backward Chinese race in order to keep enthusiasm and support for the revolution alive, while at the same time endeavoring to mislead the American public by sentimental appeal in disregard of the basic facts. These agitators know full well the value of American moral support and we cannot but feel that a determined effort has been made to obtain that active American moral support under false pretences. Rather than fostering hatred for foreigners and generating among the Chinese masses ill-feeling against those nations which have shown every indication and desire to join in enlightened world diplomacy for the good of mankind in general and of the Chinese people in particular, those Chinese who have the welfare of their people and country genuinely at heart would do better to endeavor to enlist the cooperation, kindly advice, and assistance of the Powers in bringing about peace and order, law and justice, good government and prosperity. These are the things China needs in place of falacious tirades against extraterritoriality

"unequal treaties" etc. ~~and these things alone~~ can ^{not} rescue

the Chinese people from their present predicament. ~~China's~~

~~present leaders pretend not to see and do not allow the un-~~

~~informed masses to see these facts and therein lies the pith~~

~~of the whole muddle.~~

This misguided

~~movement~~ to oust foreigners from their

present status in China must be characterized as ^{wasted} an effort

~~in banking up the wrong tree. Even if the movement were immediately~~

~~successful, and foreigners should be obliged to leave China entirely, there is~~
~~to get something for nothing.~~ Any backward people are

patently in an "unequal" position ^{in the world. Anti-foreign agitation} ~~vis a vis the progressive~~
~~can in no way alter the basic and overwhelming facts of backwardness.~~

~~The Propagation among the Chinese masses of hatred for foreigners~~
~~and enlightened nations of the world. Such agitation, by~~

the few ^{leaders} who have ^{gained their only ideas of progress} ~~either by American charity or otherwise~~

~~profited~~ by contact ^{with foreigners and} ~~abroad~~ with enlightened conditions ^{abroad,}

cannot ~~alter the basic and overwhelming facts of backward-~~
~~ness and inequality,~~ ^{win for those leaders the essential respect of foreign}

~~governments upon which friendly relations of an "equal" character~~
~~might be based,~~ nor win for the Chinese people the

sympathy and substantial aid which could be theirs for the

asking, and which would effectively assist China to the

equal position desired.

The Washington Confernece in its consideration of China's problems and
the aspirations of her leaders represented there ~~XXXXXX~~ was initiated by the
American Government and was joined in by the other principal powers,

*no likelihood that better conditions or
good government would come about in China
a whit sooner. The chief difficulties
of the China problem are Chinese,
not foreign.*

The Washington Conference, initiated by the American Government and joined
 principally
 in by all other nations concerned in ~~the~~ China, ~~XXXXXXXXXX~~ in its consideration
 of the China situation may be described as an international effort to
 meet China's legitimate aspirations. ~~XX~~
~~XXXXXXXXXX~~ It provided for and set in motion the machinery under which the
 problems of tariff autonomy and abolition of extra-territoriality were to be
 worked out. A reading of ~~XXXXXXXXXX~~ Judge Williams' article will show
 in what manner ~~the~~ this international effort has been thwarted thus far.

May 19, 1927

Director
Bureau of Foreign and Domestic Commerce
WASHINGTON, D.C.

SUBJECT: Attitude and Opinion of the American Chamber of Commerce, Shanghai, on the present situation in China

Sir:

As mentioned in my weekly report for the week ended April 30th, at the invitation of the American Chamber of Commerce, Shanghai, I attended the annual meeting of that organization on Tuesday, April 26th, at which a resolution was passed expressing disapproval of the policy of the "China Weekly Review", edited and published by Mr. J.B. Powell, a member of the Chamber and long connected with its activities.

In the past year Mr. Powell's paper has been so strongly favorable to the Chinese Nationalist cause at the expense, the members of the Chamber feel, of American prestige, and his treatment of the various situations has been so much in the nature of Chinese Nationalist propaganda, that Mr. Powell has come under suspicion of being subsidized by the Nationalist party. The Board of Governors of the Chamber at this annual meeting, therefore, submitted the following resolution to the members present, a list of which is enclosed herewith as Exhibit A:

"WHEREAS it is the opinion of the American Chamber of Commerce, in Annual Meeting assembled, that having regard to the adverse criticism published in recent issues of "The China Weekly Review" concerning measures of local defence together with the general tone of editorial comment on questions which concern the lives and property and general welfare of American Citizens in Shanghai, this Chamber emphatically declares that the present policy of "The China Weekly Review" appears to be in direct opposition to the opinions and views as held by the members of this Chamber on these matters of such serious and supreme importance, thereby lending aid to disruptive instead of constructive elements."

May 19, 1927
Shanghai, China

"THEREFORE BE IT RESOLVED

That 'The China Weekly Review' is hereby requested to resign its membership in this Chamber."

I just happened to be sitting beside Mr. Powell in this meeting and heard the entire discussion which followed, which was brief. Mr. Powell, who stated that he had had no previous inkling of the intentions of the Chamber, defended his editorial policy by saying that he was endeavoring to interpret American official opinion on the China situation. He stated that while he is not the spokesman of the American Government he feels that his position as a newspaper man gives him a closer insight into American official opinion than members of the Chamber can have, and that it has been his honest policy to endeavor to interpret that official opinion and policy in his paper, and that his interpretation of the American Government's policy was borne out by news just received to the effect that America was not willing to participate in any strong handed measures with the other four powers which presented the Five Power identical note to the Nationalist Government.

Major Holcomb, one of the prominent members of the Chamber, in discussion intimated that apparently Mr. Powell's expressions both in his publication and in his cables as correspondent for the "Chicago Tribune" were partly responsible for the present American official opinion and policy, and that his editorial policy was calculated to influence and make American official and public opinion rather than interpret it.

To make the story as brief as possible, there was only one dissenting vote against the practically unanimous adoption of the above resolution. The dissenting vote was uttered by Mr. George Sokolsky, an American newspaper man and Editor and Manager of the "Far Eastern Review", who made a brief appeal that Mr. Powell be not asked to resign from the Chamber, as he thought the Chamber's publicly expressed disapproval of Mr. Powell's editorial policy, which he himself, heartily disagreed with on all points, was sufficiently drastic treatment to give Mr. Powell without asking him to resign. Mr. Sokolsky did not make a motion for reconsideration of the resolution, but stated that he thought some other member of the Chamber ought to do it in view of Mr. Powell's long connection with the Chamber and his past efforts to organize and make the Chamber an effective organization. This suggestion was not seized by any member present, so Mr. Powell himself arose to make the motion on his own behalf, but the motion was promptly overruled and the discussion ended.

The important feature of the matter, which is described in various lights in the attached newspaper clippings, appears to me to be the matter of whether Mr. Powell is interpreting American official opinion or

May 19, 1927
Shanghai, China

is endeavoring to make that opinion and policy.

The opinion of the American Chamber of Commerce on conditions in China has been publicly expressed in a series of statements which appear in a pamphlet that is enclosed herewith as exhibit "B". It will be noted that the outstanding features of these expressions are in approval of the American Government's policy of protection of its nationals in China and its sending of Naval and Marine forces here for that purpose, whereas a number of Mr. Powell's editorials have condemned this "Vicious Barbed Wire Circle", referring to the defenses thrown around the International Settlement and French Concession, and in many other expressions of the kind criticises these defensive measures and advocates turning the entire area over to the Chinese without further ado.

Mr. Powell's editorial policy does not fail to point out and emphasize or suggest the weak points in British as well as the American position in China, to minimize the wrong doings and mistakes of the Nationalists, and to constantly suggest "What America ought to do now" or "What Great Britain ought to do now", most of his recommendations being in favor of turning everything over to the Chinese even before the Chinese get to the point of making direct demands of the Powers in that direction.

Most of Mr. Powell's past intimate friends among Americans here feel that there is a very strong likelihood that he is subsidized by the Kuomintang or Nationalist Party of China and is used by that party as organ for the dissemination of propaganda favorable to the Nationalist cause in the United States, playing upon American public ignorance of America's position in China and the true state of affairs in this country. They argue that he must be subsidized or he would not be thus willing to sacrifice the confidence and respect of the entire American business community.

I have known Mr. Powell personally for about nine years and have always had a great deal of respect for him and believe he has done a great deal of constructive work for American interests in China in the past. By virtue of the fact that for about a year he represented the American Chamber of Commerce of China in Washington and acquired a wide acquaintance among prominent legislators and has in the past given his support to constructive measures on behalf of American commercial interests in China, his opinion is doubtless much respected by members of Congress. In the past he has sent his paper to all Senators and Congressmen in Washington when issues relating to American relations with China were under discussion. He is apparently doing so now; in fact we learn through Chinese in Mr. Powell's office that his mailing list to the United States suddenly jumped up an additional thousand copies immediately after the action of the American Chamber of Commerce.

May 19, 1927
Shanghai, China

I also believe that Mr. Powell's publication in the days when it was a sort of "Literary Digest" of Chinese current events served a very useful purpose, but its present extremely biased policy which is in direct opposition to the views of many Americans here is not helpful to American prestige in China, but I believe is detrimental thereto. It would seem to me that Mr. Powell has gotten well out of the realm of newspaper reporting in suggesting things to the Chinese mind (his Chinese subscribers being numerous) that Americans, British, and others ought to do in re the China situation. His attitude is extremely anti-British which naturally panders to the present state of the Chinese mind and finds favor in certain quarters in the United States.

There are those who believe that his anti-British sentiments and expressions and embitterments are in part the result of the fact that some months ago he resigned or was asked to resign his position of Managing Editor of the "China Press", Shanghai, a daily paper which is actually owned by the Sopher brothers, one of whom is a British subject, but who succeeded to the ownership of the paper in the settlement of the Edward Ezra Estate. The paper has for many years been regarded as the American newspaper here, though not actually owned by Americans. Its staff has been largely American and it has been run as a publication along American lines. Mr. Powell carried on a campaign for some months during 1926 to endeavor to secure financial support for a "real American daily newspaper" in Shanghai, but failed in his attempt. A long series of editorial attacks in Mr. Powell's own weekly publication against the "China Press" resulted in the "China Press" issuing an open letter to Mr. Powell entitled "Either Put Up or Shut Up". Mr. Powell has never made any public reply to this article, which appeared three or four months ago, and has apparently dropped the agitation against the "China Press".

Mr. Powell's publication, the "China Weekly Review", has always had the support of the American business community in the past, but present American advertising contracts, I am told, will not be renewed and the present volume of advertising in his newspaper is not sufficient to keep it alive, in the opinion of Americans locally. At present the advertising in his publication is chiefly Chinese and the assumption that he must be subsidized is drawn from the fact that there apparently is not sufficient advertising in the paper to support it.

If he is not now subsidized, Americans contend he must be making a desperate play for Chinese Nationalist support. Americans locally cannot quite stomach his criticism of the foreign measures of military defense of the Shanghai International Settlement and French Concession when events at Nanking on March 24th (where there are no concessions or military protection, where a systematic attack on all foreigners was made, several being killed, and where a massacre of foreigners - mostly Americans - was only averted by the timely action of American and British gunboats) are a conclusive indica-

which he proposed to edit.

Director, Bureau of Foreign & Domestic Commerce:
Page Five

May 19, 1927
Shanghai, China

tion of what the vastly greater number of foreigners resident in Shanghai would have suffered had there been no "Barbed Wire Circle", and had not the British troops arrived in time and been dug in, ready to defend the place thoroughly, and had not American Marines been here ready to assist (though not landed and dug in).

The above briefly covers the Chamber's attitude toward Mr. Powell and his policies.

One naturally hesitates to make a conclusive expression of opinion on a case like this involving a person in whom confidence has been had in the past, indeed every member of the American Chamber of Commerce in the meeting above referred to who spoke against Mr. Powell stated that it was certainly a very unpleasant thing to have to do. I am in no position to say whether or not Mr. Powell is subsidized by Chinese politicians, and would certainly hesitate to do so. I am of the opinion, however, that if he is not subsidized he must be so thoroughly prejudiced in favor of the Chinese Nationalist cause that he is willing to stake all, including his reputation for integrity, on the possibility of both the sincerity of the movement and its success. If it fails, he stands to lose all, and in my opinion it is unwise for an American newspaper man to get out of the position of being an impartial observer and become so very apparently a propagandist for and sacrifice himself to that extent for any such cause.

Very truly yours,

A. BLAND CALDER
Trade Commissioner

ABC:VL
Enclosures 27765

A.

Corporate Members Present at Annual Meeting of Chamber
April 26, 1927.

Admiral Oriental Line - C. A. Perkes
American Asiatic Underwriters, Fed. Inc. U.S.A. - F. J. Raven
American Bureau of Shipping - W. I. Eisler
American Foreign Insurance Association - F. E. Vincent
American-Oriental Banking Corporation - F. J. Raven
American-Oriental Finance Corporation - F. J. Raven
American Trading Co., Inc. - R. E. Lunkley
The Amos Bird Co., Inc. - H. C. Pond
Andersen, Meyer & Co., Ltd. - C. H. French
Anderson, Clayton & Co. & J. E. Waddell
Asia Realty Co., Fed. Inc. U.S.A. - T. C. Britton
W. H. Bolton Bristle Co. - W. H. Bolton
H. B. Campbell - H. B. Campbell
China Electric Co., Ltd. - H. P. Miller
The China Press, Inc. - C. J. Lavel
The China Weekly Review - J. B. Powell
Connell Bros. Company - S. C. Kingsbury
R. A. Curry - R. A. Curry
Roy E. De Lay - Roy E. De Lay
Dodge & Seymour (China) Ltd. - F. F. Fairman
The Robert Dollar Co. - T. J. Cokely
C. J. Doughty & Co., Fed. Inc. U.S.A. - C. J. Doughty
E. I. Du Pont de Nemours & Co., Inc. - H. J. Sewzey
C. K. Eagle & Co., Inc. - R. F. Evans
Eisler, Reeves & Murphy, Inc. - W. I. Eisler
Eastman Kodak Co. - R. E. O'Bolger
Engineering Equipment Co., Fed. Inc. U.S.A. - Edwin A. Ekdahl
Equitable Eastern Banking Corporation - A. E. Schumacher
L. Everett, Inc. - L. Everett
The Far Eastern Review - Geo. E. Sokolsky
Fessenden, Holcomb & Snyder - C. P. Holcomb
Fleming & Allman - N. F. Allman
Ford Hire Service, Inc. - Allan Isaacson
Foster-McClellan Co. - G. L. Sheeks
Heacock & Cheek Company - M. C. Cheek
Liggett & Myers Tobacco Co. - C. B. Arthur
Mark L. Moody, Fed. Inc. U.S.A. - Chas E. Bowers
National Aniline & Chemical Co., U.S.A. - G. O. Richardson
Oil Export Company - David E. Duff
Raven Trust Co., Ltd. - F. J. Raven
Standard Oil Co. of New York - V. G. Lyman
Sunland Sales Association, Inc. - B. H. Watson
The Texas Company - J. V. Murray
Tobacco Products Corporation (China) - W. R. Johnson
Truscon Steel Company - E. A. Silagi
G. E. Tucker - G. E. Tucker
U. S. Robbert Export Co., Ltd. - G. L. Sheeks
U. S. Testing Co., Inc. - R. E. Buchanan
Universal Hire Service, Fed. Inc. U.S.A. - Chas. E. Bowers
Universal Pictures Corp. of China - Roy E. De Lay
Viloudski & Co. - N. A. Viloudski

B.

— 1 —

To the Members of the American Chamber of Commerce
Gentlemen:—

Political events of the past year in China, are so well known to you that it is not necessary to refer to them here, except in so far as they are reflected in the activities of the Chamber. Needless to say, a great part of the time of the Board of Directors has been devoted, to considering ways and means of protecting in so far as possible, American business interests from the many unusual dangers which have threatened, particularly in the past six months, during which time law and order have been destroyed in the greater part of our natural trading territory.

It is significant of the harmony and spirit of mutual helpfulness with which we worked with other similar organizations in China, that one of our first emergency activities was an offer of aid to fellow nationals in Hankow. As early as last December, The American Chamber of Commerce in Hankow, wrote asking this organization to use its best endeavours to secure local publicity as to the intolerable conditions, which, even at that time were assuming alarming proportions in Hankow. There was little need of the Chamber to take any action on this request, as the events in Hankow, which immediately followed the despatch of the letter from the Hankow Chamber, were of such a nature as to obtain full publicity, not only locally, but throughout the world. Later, as the situation there became more alarming, The American Chamber of Commerce in Hankow, with the consent of our Chamber, established a letter of credit in the name of this organization, whereby we were enabled, if the necessity arose, to ship food stuffs to the American Community in Hankow on U. S. Naval vessels, if other means of transportation were not available. Although all of the shipments specified by the Hankow Chamber were lined up for prompt despatch on receipt of telegraphic instructions, the service was not carried through due to the extensive evacuation from Hankow of our nationals, on the advice of Government Officials.

On January 18th, following the Hankow riots, a general meeting of the Membership of the Chamber was held in the American Club, for the purpose of urging upon our Government, the seriousness of the situation in China, and the need of adequate protection for American interests. This was undoubtedly the most largely attended meeting ever held by the Chamber. The presence of 92 corporate members out of a membership of 108, testified to the tremendous

interest taken in the purpose of the meeting by the American business community.

The following resolution which had been prepared by the Board of Directors was adopted unanimously, and cabled the following day to the State Department in Washington, through Consul-General Gauss:

"In support of the Proclamation issued by the Shanghai Municipal Council on January 10th, 1927, the American Chamber of Commerce deems it advisable to transmit to our Government the following resolution:

RESOLVED that the American Chamber of Commerce urge upon our Government the expediency of giving the fullest cooperation to the Settlement Authorities of Shanghai in any efforts they may be called upon to make in protecting the lives and property of our citizens here; and that our Government oppose with all necessary force any usurpation of the rights now enjoyed by our Citizens in these Settlements under existing Treaties and that no relinquishment of existing rights be considered except through Diplomatic negotiations with recognized authorities."

The following resolution was also unanimously passed at the meeting and cabled to Washington by Consul General C. E. Gauss.

"Whereas it has been reported that the present cabinet in Peking has issued a mandate providing that a customs surtax of 2½% be levied from February 1st, and where it is also reported that the military government at present in control of the Shanghai area has issued a notice that such surtax be collected on and from the 20th of January, and whereas such levies are in violation of the existing treaties, be it resolved by the American Chamber of Commerce that these facts be brought to the attention of the American Government and a request be made that steps be taken to protect American imports from such illegal taxations, and that copies of this resolution be sent to the American Consulate at Shanghai, with a request that it be transmitted by telegraph to the American Minister at Peking and the Secretary of State."

The following resolution was also unanimously adopted at this meeting and I am glad to state that within a short time thereafter, the membership of the American Company, S. V. C., was doubled.

"WHEREAS a Committee has been appointed at the suggestion of the Shanghai Municipal Council to encourage enlistment in the American defense units of the S.V.C. and this Committee has been working on the Council's suggestion for the past 18 days, and

WHEREAS during said 18 days

| | |
|--------------------------------|---------|
| The Japanese Co. has recruited | 80 men |
| The Machine Gun Co. (Br.) | |
| The Shanghai Scottish (Br.) | 50 men |
| Reserve Co. (Br.) | |
| A. Co. B. Co. Art. (Br.) | |
| American Troop 3 discharge | 1 net 2 |
| American Co. 5 discharge | 4 net 1 |

It is evident that the American Community has not had it brought forcibly enough to its attention, and considered the importance of this matter particularly at this critical period, and WHEREAS the S.V.C. is the immediate insurance policy for the protection of American and all law-abiding interests in Shanghai and the preservation of peace and good order in the International Settlement in times of emergency when the police force is not adequate, and should have the full support of the American Chamber of Commerce and all Americans in Shanghai, and WHEREAS at present both American companies are less than 50% of their authorized strength: that there are 2613 male Britishers in Shanghai of which over 850 are members of the S.V.C.: (about one man in three) whereas there are 827 male Americans in Shanghai of which 120 only are members of the S.V.C.: (about one man in seven). That the Americans are not doing their fair share of the work necessary in the protection of this Settlement.

BE IT THEREFORE RESOLVED that the American Chamber of Commerce recommends that all members of the American Community encourage enlistment and in particular the heads of all American business interest advise and assist the Americans on their staff to join one of the American Companies of the S.V.C. at the present time."

Within a few days after the despatch of the Resolution to the State Department at Washington, Mr. Kellogg's statement as to our Government's policy in China was publicly announced. This statement assured us of protection to American life and property in China, and your Board of Directors gave evidence of our appreciation by requesting Consul General Gauss to despatch the following cable to Washington on January 31, 1927

"AMERICAN CHAMBER OF COMMERCE
EXPRESSES ENDORSEMENT STATEMENT
SECRETARY OF STATE ON CHINA AND
APPRECIATION OF ASSURANCES PRO-
TECTION AMERICAN LIFE AND PRO-
PERTY"

Previous to the adoption of the resolutions at the general meeting and paralleling this action in importance was the issuance of the report on extraterritoriality. Last September, the Chamber sent the following cable to Mr. Silas Strawn, American Delegate to the China Tariff Conference, who was then on his way home on the PRESIDENT PIERCE in Yokohama.

"UPON YOUR DEPARTURE FROM CHINA AMERICAN CHAMBER OF COMMERCE AND THE AMERICAN BUSINESS COMMUNITY DESIRE TO EXPRESS SINCERE APPRECIATION AND THANKS FOR YOUR EFFORTS IN HANDLING THE MANY COMPLEX PROBLEMS WHICH HAVE PRESENTED THEMSELVES."

Mr. Strawn sent the following cable from Honolulu:

"I VERY MUCH APPRECIATE YOUR MESSAGE THANKS."

On December 3, the Chamber sent the following cable to their Washington representative:

"SECURE AS MUCH PUBLICITY AS YOU CAN NEWSPAPERS ETCETERA. AMERICAN CHAMBER OF COMMERCE HEARTILY ENDORSES STATEMENTS AND SPEECH MADE BY SILAS STRAWN IN REGARD TO PRESENT POLITICAL SITUATION IN CHINA."

This cable was sent after Mr. Strawn had delivered his first speech in Chicago, before the Chicago Association of Commerce, wherein he elucidated upon his excellent report as to the appalling conditions in China.

During the latter part of March, the Board of Directors considered it advisable to issue a statement for publication in America, relating to the turn of events in China. The statement appearing herewith was prepared after careful consideration and consultation with those who were in a position to gauge the effect and result the issuance of such a statement would have on the American public.

This statement was released through the local and special representatives in Shanghai to all of the national press services and American newspapers represented here.

"Militarism, brigandage and Bolshevism have destroyed all semblance of law and order throughout the greater part of China and have brought about a condition where life and property of both Chinese and foreigners are in constant danger from mob violence, military terrorism and unrestrained activities of individual criminals. The repeated assurances of militarists and other spokesmen of political factions that they can and will protect life and property are irreconcilable with the recent deplorable events leading to the necessity for evacuation of the entire Yangtze valley under justifiable advice or instructions from foreign governments. The great mass of conservative and law abiding Chinese have been reduced to a state of helpless intimidation and are unable to take any effective measures to protect either themselves or foreign residents. The adoption of a conciliatory policy by the foreign governments has merely strengthened the position of the lawless elements and encouraged outrages like that of Nanking.

We strongly endorse the decision of the American Government to take adequate measures for the protection of American lives and property, as evidenced by the landing of Marines at Shanghai and the announcement that additional forces are en route. It must be borne in mind however, that through unscrupulous propaganda designed to inflame the Chinese masses against foreigners, business men and missionaries alike, a hostility has been created causing the withdrawal of hundreds of Americans from Treaty Ports and interior places, and the desertion to mobs of millions of dollars of American property. Of all the cities of the Yangtze Valley and South China, Shanghai alone is comparatively safe for foreigners. This, however, is due to no consideration shown by those Chinese inflamed by Bolshevik advisors, but entirely to the presence of foreign warships and military forces. It is obvious that a protective policy applying to Shanghai alone will not enable China to put its house in order, nor will it prevent enormous losses resulting from the evacuation of the interior districts.

We are convinced that the future welfare of the Chinese people and the ultimate safety of American and other foreign residents throughout China, can be attained only through unified action by the Powers to suppress disorder and to restore conditions favorable to the formation of a responsible government.

We believe that immediate concerted action by the Powers to restore a condition of security for foreign lives and property in all Treaty Ports, and to recover all foreign properties which have been destroyed or confiscated, will have a far-reaching influence throughout China, to the ultimate benefit of the Chinese people. This result should not be difficult to attain with the naval forces now in Chinese waters.

In our opinion, the future peace of the world and the general welfare of the Chinese people will be best served by the main-

tainance of the alignment of the Powers established under the Washington Treaties, and their co-operation in the service pledged to China during the Washington Conference."

CANTEEN WORK

The Chamber of Commerce has been actively engaged in assisting in the canteen work, in connection with the American forces landed in Shanghai, for participation in the defence of the Settlements. During the time the Marines were quartered on the Chaumont, arrangements were made with the Municipal Council to take over the temporary Customs Inspection Shed on the Bund, as a canteen to be operated by the Navy Y. M. C. A. The shed was fitted up at considerable expense to make it comfortable, and gave much relief to the men returning to the ship at night, as its proximity to the Customs Jetty afforded shelter during the cold weather, and an opportunity to obtain hot coffee while waiting for the launch service to the various ships.

As soon as the Marines were landed, the Navy Y.M.C.A. outlined a program of entertainment and recreation in the eight billets which had been prepared for them. The Chamber of Commerce appropriated \$1000.00 toward this work, and assured the Executive Secretary of the Navy Y.M.C.A. that further assistance would be given, if necessary.

NEW GOVERNMENT BUILDING FOR SHANGHAI

Our efforts have been unrelenting in an endeavour to secure an initial appropriation for the construction of an American Government building in Shanghai on the site of the present Consulate. When Consul General Cunningham returned to Washington, he took with him original copies of the report which had been prepared by the Chamber's committee on engineering and architecture and concurred in by the Board of Directors.

SHANGHAI GOLD EXCHANGE

The Board of Directors concurred in the views of the Shanghai General Chamber of Commerce, to the effect that while the Board appreciated the disturbances the Gold Exchange causes the local merchants, in their opinion any attempt to remove the Exchange from the Settlement would merely have the effect of continued operations elsewhere and any steps that the Municipal Council might take would not, therefore, have the desired result.

CHANGE IN HARBOUR REGULATIONS

Consul General Gauss called the attention of the Chamber to a proposed alteration in the Harbor Regulations, which the Board of Directors approved of on recommendation of the Shipping Committee. Following is the suggested change in the Harbor Regulations.

"Vessels are required to conform to the International Regulations for Preventing Collisions at Sea, with the following exception:

Vessels of 25 feet draught or over, under way in any part of the Whangpoo River or Shanghai Harbor, shall carry at the foremast head, or where it may best be seen, a black drum; and vessels of less than 25 feet draught, when under way within these limits, shall give way to and keep clear of a vessel showing this signal."

EXCHANGE BROKERAGE

The Shanghai General Chamber of Commerce brought to the attention of this organization a desire on the part of some of the business men to reduce the brokerage on merchant exchange business from one-eighth to one-sixteenth percent.

The Board of Directors voted that they were not disposed to recommend any reduction on broker's commission on merchant business.

BONDING FACILITIES

The Shipping Committee in a detailed report recommended the extension of bonding facilities to private godowns, and in view of recent developments, it is highly desirable that these recommendations be adopted by the proper authorities in Shanghai.

The Committee also suggested that the Customs revise regulations, so that the merchants will be permitted to pack and repack in bond under Customs supervision and without the payment of any additional duty. The same recommendation was made to permit of stencilling and labelling lithograph containers and materials from which containers are made.

Merchants, for reasons of economy very frequently desire to ship commodities to China in bulk, or in large containers, and upon arrival to pack or repack for delivery

to customers or for reshipment. Packing or repacking, according to existing Customs regulations, results in the merchant losing the following privileges:

1. Re-export privileges due to the original marks of identification on packages being lost and due to change in the type of package.
2. This loss of re-export privilege necessitates the payment of duty on the original importation equivalent to approximately 5% on the c.i.f. cost, except where losses are sustained, and upon arrival at destination a further 2½% on the market price. If the commodity is not repacked, a total payment of only 5% of the c.i.f. cost is necessary, because upon re-exportation, same is shipped duty free under exemption certificate.
3. On re-exporting to a Foreign Port, the merchant loses drawback privileges.

It is requested that the Customs revise regulations so that the merchant will be permitted to pack and repack in bond under Customs supervision, without the loss of any of the above-mentioned privileges, and without the payment of any additional duty. The existing regulations result in the merchant paying excessive duties and packing charges, all of which is unnecessary and interfere with trade.

CHAMBER OF COMMERCE "BULLETIN"

The "Bulletin", the official monthly publication of this organization, has been issued regularly each month. It has been the aim of the Board to limit the size of the "Bulletin" so as to print only important items of direct interest to the membership. That this "Bulletin" is read and digested, we have no doubt, as on several occasions, the response from the membership has been most interesting and encouraging.

ENTERTAINMENT AND MEETINGS

It has been the policy of the Board during the past year to hold tiffin meetings of the membership in the American Club, whenever a speaker of note was in Shanghai, especially pertaining to subjects of commercial interest. The Board of Directors has also entertained visitors of note as occasion arose.

The following makes up the list of entertainments:

| | | | |
|----------|--|--|--------|
| July 20 | Capt. Robert Dollar | Membership | Tiffin |
| July 28 | Hon. Wm. B. Oliver | Board of Directors | Tiffin |
| Sept. 27 | Hon. John V. A. MacMurray and Mrs. MacMurray | Membership and the American Community-Dinner | |
| Sept. 27 | Mr. J. J. Underwood | Membership | Tiffin |
| Nov. 15 | Hon. Edwin S. Cunningham | Membership | Tiffin |
| Dec. 2 | Sir Miles W. Lampson | Board of Directors | Tiffin |
| Dec. 10 | Prof. George B. Roorbach | Membership | Tiffin |
| Dec. 17 | Judge John Barton Payne | Membership | Tiffin |
| Feb. 14 | Mr. C. S. Beatty | Board of Directors | Tiffin |

In view of the very adverse business conditions which have prevailed, it is a pleasure to be able to announce that the Chamber of Commerce shows an increase in membership. Five members have resigned and 12 new members have been elected, making a net gain of seven. It is also gratifying to be in a position to assure you, that, financially, the Chamber is in splendid shape and has kept well within its budget. Receipts have exceeded expenditures to an extent which has enabled your Board of Directors to put aside funds, which can be used in an emergency, without calling on the membership for special subscriptions.

During the eleven months under review, the Board has held 21 meetings, and the membership has met twice in special meetings. On his departure for America, Mr. G. E. Tucker resigned from the Board, and Mr. W. S. Fleming was elected to fill his place. Mr. C. S. Beatty recently resigned, but this vacancy was not filled, due to the close approach of the date for the Annual Meeting.

In conclusion, I wish it were possible to express the belief that the ensuing year is likely to be more peaceful and prosperous than the past, but we all know that, not since the Boxer trouble have conditions in China been more serious, and that we are now facing a period of change and re-adjustment fraught with many dangers. I can only express the hope that we may all work together for the best interests of the American Community. I say this, in no narrow national spirit, but in the firm belief that what is best for us is best for all foreigners and Chinese as well.

President

AMERICAN CHAMBER OF COMMERCE
CERTIFICATE OF AUDIT

We have made an audit of the accounts of the American Chamber of Commerce (Shanghai) for the two years ended March 31, 1927 and

WE HEREBY CERTIFY that the accompanying statement of cash receipts and disbursements for the period stated, is correct.

Haskins & Sells

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED MARCH 31, 1927 AND
1926, AND COMPARISON

| | YEAR ENDED MARCH 31 | | INCREASE |
|---|----------------------------|----------------------------|--------------------------|
| | 1927 | 1926 | *DECREASE |
| Balance at the Beginning of the Period | M\$15,289.64 | M\$14,817.90 | M\$47.74 |
| RECEIPTS: | | | |
| Dues, | M\$21,120.87 | M\$12,824.85 | M\$8,296.02 |
| Initiation fees | — | 165.01 | *165.01 |
| Interest on bank balances | 369.73 | 302.27 | 67.46 |
| Dividend on Telephone Company stock | 31.36 | 21.63 | 9.73 |
| Rent | 180.62 | 449.54 | *268.92 |
| Miscellaneous | 400.00 | 27.20 | 372.80 |
| Total receipts | <u>M\$22,102.58</u> | <u>M\$13,790.58</u> | <u>M\$8,312.00</u> |
| Total | <u><u>M\$37,392.22</u></u> | <u><u>M\$28,608.40</u></u> | <u><u>M\$9,188.5</u></u> |

| DISBURSEMENTS: | YEAR ENDED MARCH 31 | | INCREASE |
|---|---------------------|---------------------|--------------------|
| | 1927 | 1926 | *DECREASE |
| Salaries and wages | M\$7,766.73 | M\$6,306.65 | M\$1,460.08 |
| Rent and taxes | 2,887.61 | 2,875.72 | 11.89 |
| Printing, postage and stationery... .. | 2,462.41 | 2,602.95 | *140.54 |
| Telephone, telegraph and cables | 568.41 | 390.51 | 177.90 |
| Entertainment | 677.61 | 384.41 | 293.20 |
| Donations | 2,000.00 | — | 2,000.00 |
| Furniture and fixtures, | — | 304.27 | 304.27 |
| Dues to other Chambers | 147.08 | 115.64 | 31.44 |
| Miscellaneous | 463.99 | 338.61 | 125.38 |
| Total disbursements | <u>M\$16,973.84</u> | <u>M\$13,318.76</u> | <u>M\$3,655.08</u> |
| Balance at the end of the Period | <u>M\$20,418.38</u> | <u>M\$15,289.64</u> | <u>M\$5,128.74</u> |

MEMORANDUM OF ASSETS OTHER THAN UNCOLLECTED MEMBERS' DUES, MARCH 31, 1927

CASH:

| | |
|---|----------------------------|
| Equitable Eastern Banking Corporation-Current account, | M\$4,939.66 |
| Equitable Eastern Banking Corporation-fixed deposit | 7,200.00 |
| American Oriental Banking Corporation-fixed deposit, | 8,278.72 |
| Furniture and Fixtures (Depreciated Value)... .. | 1,369.54 |
| Shanghai Mutual Telephone Company Ltd. Stock... | 481.93 |
| Deposits (Post Office Key M\$5.00)-S.M.C. Tls. 9.80), | 18.61 |
| Total, | <u><u>M\$22,288.46</u></u> |

C. H. FRENCH
Treasurer

Shanghai, China,

_____ 1927.

The Honorable,
Herbert Hoover,
Secretary of Commerce,
Washington.

Sir:

On June ____ this Chamber despatched the following cablegram to you;

Our reasons for transmitting our views to you are fairly clearly set out in the message itself. We felt at that time that there was a possibility that the Southern Party might suddenly succeed by negotiation and force of arms in driving through to Peking. It would thus be able to present at least the temporary appearance of a United China and with sentiment as it apparently is in the United States might succeed in securing the precipitate recognition of the United States, which would be naturally an incalculable advantage to the Nationalists and one to

which we felt ^{they were} ~~XXXXXX~~ not entitled, particularly as there was and still is some considerable doubt in our minds as to the Nanking Nationalists' freedom from communistic taint and Soviet influence.

We may add that there is no doubt in our minds as to the Soviet influence and financial support being given the Hankow Nationalists.

We felt that if there was any danger of American business and American prestige in China being so to speak sold out over night and perhaps placed in an irrecoverably disadvantageous position we should ~~XXXXXX~~ give you the benefit of our views and endeavor to enlist your support in preventing any precipitate action of this kind.

Certain members of this Chamber have had intimations from Senator Bingham who is now in China that the American Chamber of Commerce of Shanghai is apparently in such disrepute in the United States both publicly and in the estimation of government officials at Washington that any expressions from us are likely to be regarded not only as valueless but may prove to be detrimental to our cause.

From articles which have come to our attention in the American press

we note that we are branded as selfish propagandists for armed intervention in China and as advocates of action which would be detrimental to the ^{a square deal for} ~~welfare~~ of the Chinese people.

The situation has ~~XXXXXXXXXX~~ come about from the fact that we undertook ~~it~~ at our last annual meeting on Ma _____ to repudiate a member of the Chamber, namely the "China Weekly Review", owned and edited by John B. Powell. We have all been through exceedingly trying times in China in recent months not only as regards our legitimate business relations but as to our personal safety and that of our wives and children, as you are well aware, and we felt that we could not countenance the published statements of the "China Weekly Review" which at a time when we firmly believe our lives were in serious danger was publicly in its columns criticising the defense measures instituted in Shanghai, particularly the timely action taken by the Shanghai Municipal Council and the British Government in providing adequate military protection for foreign lives and property. We believed this criticism and Powell's agitation for the removal of this protection

was distinctly injurious to American prestige particularly as American Marines and American men of war were here to ~~participate~~ participate in the defense of Shanghai by protecting American life and property.

We think it quite safe to remark that we believe there is scarcely an American in Shanghai who does not feel grateful to the British for their ~~wise~~ foresightedness in landing ^{and entrenching} a sufficient military force on the borders of the territory in which the foreigners are resident in Shanghai ^{ready} in readiness to ensure protection at the time the Southern Army was ^{near} bearing this city. The fate which befell the unprotected Americans Britons and Japanese at Nanking is sufficient indication of what was in store for foreigners in Shanghai had not adequate military protection been provided.

We felt that Powell's constant agitation for complete and immediate surrender of all our rights and for America taking the lead in such action was ill timed and was inspired by something other than a passion to bring about the fair play which he intimates the Chinese are not getting at our hands,

particularly as his views in this respect have undergone a distinct change within the past year or so.

In the face of the flagrant red communism with which the entire Nationalist party was then tinged and the manifest anti-foreign attitude of the Chinese of a degree dangerous to the lives and property of foreigners in China, including Americans, we could not but regard Powell as a rebel in our camp and we still feel that we were thoroughly justified in repudiating him,

Our action in repudiating Powell unfortunately has resulted in his ~~being~~ being able to gain a considerable amount of supporting publicity in the United States and certain editors in the United States who do not understand the situation in China and who have been misled by ^{Powell's} ~~his~~ distortion of the issue, have published articles in support of Powell's "courageous stand" against the Chamber.

To read Mr. Powell's publication one would gather the impression that this Chamber is carrying on a highly organized rapid fire propaganda campaign in the United States for American ^{in China} intervention and oppression of the Chinese people.

As a matter of fact our last public statement was issued directly after the Nanking outrages two and a half months ago, and we venture the view that at that time our opinions as expressed were very little different from those held and recommended by American Government officials in China. Indeed we felt at the time we issued that statement that we were supporting the Washington Government's views and plans, though ^{from} the way in which the situation has subsequently worked out we are made to appear as opponents of the policy of our government.

We, here in China, at that time could not foresee ~~XXXXXXXXXX~~ ~~XXX~~ that the policy of our government would undergo the violent change which occurred ~~XXXXXXXXXX~~ after ~~XX~~ ^{it} joined in the Five Power Identical Note. The Chinese reaction to ~~XXX~~ the fact of our dropping out of any further positive action in this situation is that they believe their own propaganda both in the ^{individual} ~~words~~ of Eugene Chen to the five powers and through their ^{propaganda} ~~agencies~~ in the United States ~~was cleverly successful~~ in ~~XXXXXXXXXX~~ ~~that~~ the old Chinese game of playing one foreign power against another was cleverly successful in breaking up the solidarity of the Powers and in throwing the United

States ~~XXX~~ (the pivotal or Key Power) out of ~~XXXXXXXXXX~~ line by making American public opinion believe we were being drawn into a scheme to pull chestnuts out of the fire for Great Britain.

We believe that all Powers in China today are in the same ~~position~~ position in that Soviet influence is endeavoring to push us all out ~~of~~ is succeeding fairly rapidly ~~XXXX~~ in doing so and that there is far more to be feared in the direction of the United States being USED by ~~XXXX~~ the Soviet ~~XX~~ to the detriment of British, American, Japanese and French interests in China and to the detriment of the Chinese themselves whose ^{future} peace and prosperity ^{must} depend upon harmonious relations with all of these powers. ~~XX~~

Thus we believe the United States can afford to go slow in recognizing any Chinese faction even ~~XXX~~ should the appearance of a unified China develop in the near future.

The only attempts since late March which the Chamber has made to express any views on the present situation in China are the cable to you above quoted and a very short message of a similar vein sent a day or

so earlier to Mr. George Bronson Rea, a member of the Chamber, who, we learned, was to have a conference with President Coolidge.

If expressions of this kind coming from this Chamber are out of place at this time in that members of the administration are already prejudiced against us, we feel that we ought not only to know it but ought also to attempt to justify our position, which has been badly misrepresented.

From certain ~~types~~ of misleading information in the American press and from various pamphlets which have come to our attention sent to us from friends at home to whom this literature has been distributed, it appears quite likely to us that both the Soviet Government of Russia and ^{all shades of} the Nationalists ~~in~~ in China are much better organized to mislead American public opinion and to "use" it than are we or any other American organization to spread a truthful understanding of the China situation in the United States.

I think I can safely say that there is not a single member of our Chamber who would wish in any way to oppose his government in any ~~any~~ action which it may see fit to take. We realize and appreciate thoroughly that any action which would be detrimental to the welfare of the Chinese

people would at the same time be injurious to our own business relations with them, and we are certainly not foolish enough to want to destroy or ruin our basis for conducting business.

We believed our opinion on this situation at this critical time would be of assistance to you and our action in cabling you was, we trust, not out of place. We certainly had no wish or desire in any way to coerce or unduly influence the administration but we felt that, insomuch as American business in China as represented by our efforts to carry it on is the interest which will be principally affected by any action which may be taken, it was appropriate that we should give the Secretary of Commerce the benefit of our viewpoint, especially as so many other agencies appear to be at work endeavoring to distort the facts and to misuse American good ~~XXXXXXXXXX~~ will.

Very respectfully yours,

C.H. French, ~~Chairman~~ ~~XXXXXXXXXX~~ President,
American Chamber of Commerce of Shanghai.

W. H. Meyer

suggested
OUTLINE OF POLICY ~~for~~ THE AMERICAN CHAMBER OF COMMERCE

WHAT AMERICA CAN DO TO SAVE CHINA
FROM OPPRESSION & BOLSHEVISM

The American Chamber of Commerce, *insistent in its endeavors* ~~in its functions~~ for the betterment of trade conditions between the United States and China, ~~and in its desire to help in~~ ⁱⁿ laying the foundations for ~~future~~ co-operative business *development* ~~progress~~, hereby ~~places on record~~ its sympathy with the efforts of enlightened and progressive Chinese to attain stability in the establishment of a national structure by evolutionary methods, and is in hearty accord with the tendencies of the Chinese people towards democratic constitutional government.

It believes that the aspirations of the people of China are worthy of the utmost support that can be extended by the Government of the United States.

The Chamber submits, after careful consideration of existing facts, the following report on conditions in China and a practical plan to extend American Government influence and help to the people of China; to rescue them from the enslavement of its warlords; bringing order out of their misery in the existing chaos of warring factions, by direct aid in establishing a Chinese Government to unite the country, so that it will be ruled by representatives elected by the people, for the people, and of the people.

EXISTING SITUATION IN CHINA

China is now split up into an unknown number of mercenary rival militarist camps owing nominal allegiance to five recognised leaders, and in addition, there are numerous brigand chieftans whose support is bought and sold. ~~All~~ these groups wage incessant civil war, with constant changes of allegiance and treachery. All of China's eighteen provinces (excepting possibly ~~the outlying provinces~~ of Shansi and Kweichow) are ^{now} involved in this civil war.

No de facto Government functions, and no authority exists for the maintenance of order within China's borders to run her public services. The conditions as described have since 1911 grown steadily worse, and in their despair the people are now drifting into Bolshevism. No evidence exists of any possibility of solution of China's problems from within her own leadership, and a dreary vista of continued wars, intrigue, massacres, corruption, rapine, torture, robbery and murder suppresses by terror the aspirations of the substantial and loyal people of this vast country from achieving successful government. The great masses of the people of China have the will to be lawabiding and desire peace in the carrying on of their commercial avocations, but live in terror of a small minority of militarist and brigand usurpers, who impose

upon these people the horrors of civil war, whilst their hordes ravage and destroy towns, cities and villages.

Subversive Soviet propaganda, with Russian financial aid, is creating chaos in China, in inflaming the impoverished starving masses to wild excesses. Communism is taught the people by Russia's agents and unless aid is extended to educate the people to maintain order and establish good government, the teeming masses of this great country threaten to become, under Russian leadership, a menace to the peace of the world. Vast sums are being spent by Russia's agents in Communist propaganda and proof exists that even ~~well~~ *certain* ~~known~~ American journalists ~~are~~ *is tainted.* ~~in their paid service.~~

Amongst the warring militarist leaders, there are men whose supporters display elements of National spirit in their desire to advance the interests of their country. No single leader, however, is strong enough to secure united national support. Fifteen years of increasing disruption, in factional wars, in the grouping and regrouping of ~~national~~ *war* parties, with repetitions of treachery of subordinate chieftans, have demonstrated the impossibility of hoping for a settlement of China's internal problems without extraneous aid.

AMERICAN GOVERNMENT AID ADVOCATED

In order to extend helpful guidance to the Chinese people and aid them in their aims towards ~~Nationalism~~ *Government* as a free and civilized people, the American Chamber of

Commerce believes that only one solution exists, viz., an international understanding, supported and guided by American influence, to maintain the integrity of China as a nation: to establish temporary united jurisdiction in the form of military police control over Chinese Railways, main waterways, and arteries of trade, stopping civil war, banditry and oppression of the people; to pave the way for educational guidance for the people; to establish a national structure in a duly elected Chinese Government which will be recognised and obeyed within China and have the support and aid of foreign Powers; to educate and aid this Government to organise its public services, levy and collect taxes, duties, imposts and excises;-- establish a financial system under a duly controlled budget which shall provide for the general welfare of the nation, its administration of Government departments, policing and control of the country and the common defence of the people, as also to provide for the payment of the country's debts.

It is the belief of the American Chamber of Commerce that the American and international forces now already in China, ^{supplemented additional by} ~~supported by~~ ^{police constabulary} ~~organized and trained Chinese soldiers~~ ^{to be organized} ~~under American officers,~~ ^{competent army} backed by the goodwill and support of the great mass of Chinese public opinion in its desire for peace and safety of life and property, will, with definite united action, be able to establish adequate police control over China in its mission of pacification.

... world steadily improve with ...

Temporary opposition, fostered by Russian Soviet and Communistic propaganda, may have to be suppressed, but should be easily dealt with, because it constitutes a very small minority in the mass of lawabiding citizenship of China.

The American Chamber of Commerce, furthermore, believes that such a movement towards ~~pacification~~ ^{peace in} of China and the education of the great masses of her people in constitutional government can best be directed and supported by the United States, because the Chinese recognise the friendship and goodfaith of America towards China. They trust America and her people, knowing that whatever is done under the guidance of American support by international understanding for China's benefit, will be carried out for the future welfare of the Chinese nation as a republic.

The cost of such temporary military policing of China's Railways, main waterways and arteries of trade can be defrayed out of the income derivable from proper administration ~~under American~~ ^{and} guidance in the collection of China's Customs, Postal, Salt, Land and other Tax services.

~~Even if, however, the cost of such a temporary educational administration by American officials should be borne by the United States in its goodwill and desire of helpfulness towards China,~~ the great and lasting benefit which would accrue in the development of trade in a united, peaceful and prosperous China would be incalculable. Wages would steadily improve with ~~improved~~ ^{expansion}

manufacturing conditions, ^{lifting} ~~and~~ the laboring man of China would be raised in comfort and welfare to an equal status with the labor of other civilized countries.

The development of Japan's industrial position in the world is a striking example of what can be achieved under good Government control in an Oriental country.

Japan's population is about 60,000,000. Her purchases from the U. S. A., according to statistics for 1926, were G\$ 260,754,000. China's purchases in 1926 with a population of 400,000,000, were only G\$ 129,489,000.

China, ^{under a sound government} ~~with American guidance~~, would soon emulate Japan in industrial achievement. Her ~~per capita~~ ^{per capita} purchasing power, ~~when equal to Japan's~~ ^{and based on population in ratio to Japan} would mean a market for American manufactures of about G\$ 850,000,000.-- ^{annually}

This means that a united and peaceful China offers an increase in trade volume to the American manufacturer (and wages for American labour) ~~in the development of her industrial trade~~ of about G\$ 600,000,000 a year.

Arthur

Bolton.

Cokely.

~~Eisler.~~

Evans.

Fleming.

Harbin

French.

Gardner.

Kingsbury.

Murray.

Raven.

*Sent to Rep. Calder
from Amer. C. C.*

Ack'd
Rec'd
Ans'd
File No.

JUN 6 1927

I am sending herewith three publications distributed by the American Chamber of Commerce in this city, which should prove of interest to you as regards the true conditions prevailing in this part of the world.

The booklet "THE SOVIET IN CHINA UNMASKED" will give you a comprehensive picture of the control the Soviet has held over the so-called Nationalist Government in China. The reproductions of documents seized in the raid on the Soviet Embassy in Peking are extremely convincing to say the least. *We believe Soviet influence*

The reprint of an editorial from "THE CHINA PRESS" of this city, is a concise statement, which adequately describes the utter lack of government in this country.

The reprint from "THE NORTH-CHINA DAILY NEWS" contains the only ultimate solution for the maintenance of law and order in China, which will lead to peace and prosperity and which will benefit the Chinese people most of all in the long run.

I would greatly appreciate your carefully studying these three publications and showing them to such of your friends as you feel will be interested,

Very truly yours,

REMINDER

Thursday, August 4th-8:00 p.m.

American Club

Sen Bingham "Treaties"

Easy Dress.

"Committee of 30"

CABLE ADDRESS
"AMCHAMCOM"

AMERICAN CHAMBER OF COMMERCE

ROBERT DOLLAR BUILDING
POST OFFICE BOX 357
SHANGHAI CHINA.

TELEPHONE
C. 4742

July 5, 1927.

To the Members of the
Chinese-American Relations Committee,
Shanghai.

Please be advised that a meeting of the Committee will be held
in the office of the Chamber 305 Dollar Building

Wednesday, July 6th, at 5:15 p.m.

Very truly yours,

AMERICAN CHAMBER OF COMMERCE,

Warren Manley
Secretary

CABLE ADDRESS
"AMCHAMCOM"

AMERICAN CHAMBER OF COMMERCE

ROBERT DOLLAR BUILDING
POST OFFICE BOX 357
SHANGHAI, CHINA.

TELEPHONE
C. 4742

June 30, 1927.

To the Board of Directors,
American Chamber of Commerce,
Shanghai.

Please be advised that a SPECIAL meeting of the Board of
Directors will be held in the American Club

Wednesday, July 6th, at 12:15 p.m.

Very truly yours,

AMERICAN CHAMBER OF COMMERCE,

Warren Manley

Secretary

To meet Congressman Dyer.

August 17, 1927.

To the Board of Directors,
American Chamber of Commerce,
Shanghai.

Please be advised that the regular weekly meeting of the Board of Directors will be held in the American Club

Friday, August 19th, at 12:15 p.m.

Very truly yours,

AMERICAN CHAMBER OF COMMERCE,

Wanda Manley

Secretary

AGENDA.

1. Proposed letter re Surtaxes.
2. Report Community Chest Drive.
3. Pamphlet, "China, The Foreign Powers and The Unequal Treaties".

Shanghai.

August 23, 1927.

Mr. C. H. French, President,
American Chamber of Commerce,
Shanghai.

Dear Mr. French:

I have had a talk this morning with Mr. Watson, of the Sun Main Raisin people. They are very much concerned over the imposition of a 20% luxury tariff on their product. The President of the Raisin Growers' Association, represented by this Company, is Mr. Ralph Merritt, who is a very influential man in Washington. Mr. Merritt has been out here on one or two occasions, and I believe he would be sympathetic to the problem of American business here, particularly as it concerns California products which his Company is endeavoring especially to develop a market for in the Far East.

It might be well for you to supply to Mr. Merritt direct, the material in the form of Chamber Bulletins transmitted along with a special letter from yourself which Manley might write or which you might prefer to dictate yourself. Mr. Merritt is, as I said before, a very influential man in Washington, and is very close to Hoover.

I think every channel of possible assistance to the cause should be used, and I believe this is an especially valuable one.

Very sincerely yours,

ABC/r

American
Chamber of Commerce

By-Laws and Rules
Adopted Feb. 10th, 1926.

SHANGHAI

BY-LAWS
AMERICAN CHAMBER OF COMMERCE
SHANGHAI

ARTICLE I.

Objects

Section 1. The American Chamber of Commerce is organized for the purpose of advancing the Commercial and Industrial interests of American business in the Republic of China; to promote integrity and good faith, just and equitable principles in business; uniformity in commercial usages and to acquire, preserve and distribute industrial and commercial information of value; to discover and correct abuses; to prevent or adjust controversies; and to foster and encourage the organization of American Chambers of Commerce in the various centers of China with whom privileges of cooperation and affiliation will be extended.

Section 2. This Chamber in its activities shall be non-partisan, non-sectional and non-sectarian and shall take no part in, or lend its influence to the election or appointment of any candidate for public office.

ARTICLE 2.

Membership

Section 1. Membership in this Chamber shall be restricted to American corporations, firms and individuals interested in American trade, commerce or professions or in pursuits directly connected therewith.

All nominations for membership of the Chamber must be made in writing together with a statement of the occupation and qualification of the candidate, and be addressed to the Secretary who shall present the

same at the next meeting of the Board of Directors for its action, a three fourths vote of those present being required to elect. In case a candidate is not elected his name cannot again be proposed until six months shall have elapsed from the date of his rejection.

The Chamber may suspend or expel any member for dishonorable conduct or dealings, but only after a hearing of such member at a regular or special meeting of the Chamber, and by a two-thirds vote of the members present, provided, that the Board of Directors shall recommend such suspension or expulsion, and that due notice be given by the Secretary of the Chamber, both to the accused member and to the membership at large, of the day when such hearing may be had; and also provided, that if the accused does not appear for such hearing, in person or by proxy, the vote may be taken on his suspension or expulsion as though he had appeared.

Section 2. Honorary members may be elected at any meeting of the Board of Directors. They shall be entitled to all the privileges of regular members, except the right to vote. They shall be exempt from payment of any fees whatever. The Secretary shall furnish each honorary member, thus elected, with a letter of membership, duly signed and authenticated. Honorary Membership may be withdrawn at the discretion of the Board of Directors.

Section 3. If the dues of any member remain unpaid for a term of six months, the name of such defaulting member shall be reported to the Board of Directors, and thereafter, unless otherwise ordered by the Board of Directors, shall be stricken from the rolls.

Section 4. The Board of Directors may, in its discretion, for reasons satisfactory to itself, remit the dues of any member.

Section 5. The Board of Directors may accept the resignation of any member only if the dues of such member to the date of such resignation shall have been paid or remitted.

Section 6. The membership of the Chamber shall be divided into three classes as follows:—

Corporate Members: American Corporations, Firms and Individuals engaged in business in Shanghai, who shall be entitled to one representative at meetings of the Chamber and shall pay annual dues and be entitled to votes at meetings of the Chamber as follows:—

"A" Members shall pay annual dues of Tls. 150.00 and shall be entitled to three votes at all meetings of the Chamber.

"B" Members shall pay annual dues of Tls. 100.00 and shall be entitled to two votes at all meetings of the Chamber.

"C" Members shall pay annual dues of Tls. 50.00 and shall be entitled to one vote at all meetings of the Chamber.

Dues may be paid annually or semi-annually and are payable in advance.

The Board of Directors shall each year designate the classification of all corporate Members of the Chamber.

New applications for Corporate Membership shall be classified by the Board of Directors.

If any member considers the classification assigned him to be incorrect he is privileged to communicate with the Board of Directors, who will consider any request for a reclassification.

All authorized Chamber representatives of Corporate Members must be citizens of the United States of America.

Any Corporate Member, whose authorized Chamber Representative is absent from Shanghai at the time of any meeting of the Chamber, may designate

a citizen of the United States of America, who is a member of the Chamber, to represent him at such meeting, with authority to vote. No member may vote more than one proxy. All proxies must be filed with the Secretary in writing three days prior to any meeting.

Individual Members. American Citizens connected with Corporate Members of the Chamber and American Citizens with non-American firms or Corporations. Members of this classification shall pay annual dues of M.\$10.00 and shall be entitled to attend all meetings, but without a vote.

Non-Resident Members: American companies having no office in Shanghai but who are interested in trade with China. Members of this classification shall pay annual dues of G.\$10.00 and shall receive all "Bulletins," reports and publications issued by the Chamber.

ARTICLE 3.

Board of Directors

Section 1. The government of the Chamber in **Government:** the direction of its work and the control of its property shall be invested in a Board of Directors consisting of eleven members who shall be elected annually as hereinafter provided. Their duties shall begin within three days following their election when they shall meet, qualify and elect from their own number a President, Vice President and a Treasurer. They may elect an Honorary Secretary; and shall elect a Secretary who shall not be a member of the Board of Directors and whose salary shall be fixed by the Board of Directors.

Section 2. Six members of the Board of Directors **Quorum:** shall form a quorum. Each member of the Board shall have one vote. In case of a tie the matter shall be carried over to the following meeting.

Section 3. The Board of Directors shall have power **Duties And** to fill vacancies in the Board. They **Vacancies:** may adopt rules for conducting the business of the Chamber. They shall meet not less frequently than once a month. They shall submit in writing at the annual meeting a full report of the work and finances of the organization.

Section 4. Only authorized representatives of **Eligibility:** Corporate Members in good standing shall be eligible to serve on the Board of Directors.

Section 5. Ten days prior to each annual meeting **Election:** notice will be sent to all Corporate Members in good standing requesting such as so desire to signify to the Secretary within five days the willingness of their authorized representatives to serve on the Board of Directors if elected and their names shall appear on a ballot at the meeting. Nominations may also be made at the annual meeting. Should the members in meeting fail to elect a new Board the retiring Board will remain in office.

ARTICLE 4.

Officers

Section 1. The President shall preside at all meet- **President:** ings of the Chamber and Board of Directors. He shall perform all duties incident to his office and advise such action as may be deemed by him likely to increase the usefulness of the Chamber.

Section 2. The Vice-President shall act in the **Vice- President** absence of the President, and in the absence of the President and Vice-President a member of the Board of Directors shall be chosen to act temporarily.

Section 3. The Treasurer shall receive and disburse **Treasurer:** the funds of the Chamber as authorized by the Board of Directors. He shall keep all monies of the Chamber deposited in its name in

banks approved by the Board of Directors. At frequent intervals he shall make reports to the Board of Directors, who may require him to give an acceptable bond in such sum as the Board may determine for the faithful performance of his duties.

Section 4. It shall be the duty of the Secretary to **Secretary:** conduct official correspondence, preserve all books, documents and communications; keep books of account; and maintain an accurate record of the proceedings of the Chamber, the Board of Directors and all Committees. He shall also perform such other duties as may be incident to his office, subject to the direction of the Board of Directors. He shall, should the Board of Directors so require, give bond for the faithful performance of his duties in such amount as the Board of Directors may determine. At the expiration of his term of office he shall deliver to the Board of Directors all books, papers and property of the Chamber.

ARTICLE 5. Committees

Section 1. The President shall appoint all **Appointment:** Committees, subject to confirmation by the Board of Directors.

Section 2. The President shall nominate an **Auditing:** Auditing Committee at a meeting of the Board of Directors prior to the annual meeting. It shall be the duty of the Auditing Committee to have examined and audited the books and accounts of the Treasurer and the Secretary at the close of the year's business, and report its findings to the Board of Directors and to the Chamber at its annual meeting.

Section 3. It shall be the function of Committees to **Authority Of** investigate and make recommendations. **Committees:** They shall report in writing to the Board of Directors.

Section 4. Meetings of Committees may be called **Committee** at any time by the President or by **Meetings:** the Chairman of such Committee and shall be attended by the Secretary if so required.

Section 5. The President shall be an ex-officio mem-
Ex-Officio: ber of all Committees.

ARTICLE 6. Meetings of the Chamber Rules of Order

Section 1: At all meetings of the Chamber members having any motion or remarks to make, shall address the Chair. All resolutions or propositions, of whatever nature, must be reduced to writing before they can be entertained. The time to be taken by any member in debate may be limited by the presiding officer at the request of the Chamber. Each member shall be entitled to the floor, without interruption, for such time as may be allowed him. Where reports of Committees are submitted to debate, the Chairman of the Committee introducing such report may open and close the debate.

Section 2: At Special meetings called to hear and consider reports of the Committees ordered by the Chamber no new propositions or resolutions in the nature of substitutes, (except the report of the minority of the committee, if any) shall be introduced or debated until after final action shall have been taken upon the report of such Committee; when, if it be rejected, such new propositions or resolutions may be entertained, but no business other than that named in the requisition and call for the special meeting shall be entertained, even though unanimous consent be had.

Section 3: Members having appeared in the Chamber shall not withdraw previous to adjournment, except by permission from the Chair.

Section 4: Whenever any resolution shall be proposed in the Chamber which calls for the immediate expression of its opinion or action touching any public matter, and if the same be objected to by any member present, it shall be the duty of the Chair to state the objection, and to call upon those who sustain the same to rise. If one-fourth of the members present rise in support of such objection, then such resolution shall

be referred to a Standing or Special Committee, who shall report thereon at the next meeting of the Chamber; and upon presentation of such report, the same, and the original resolution, and the subject referred to may then be acted upon without further right of such objection.

Section 5. Ten voting members of the Chamber shall be necessary to form a quorum **Quorum And Adjournment:** for the transaction of business. In case a quorum shall not be present at the time fixed for any meeting of the Chamber, the President or in his absence, the presiding officer may adjourn the meeting to such other day within one month as he may judge proper, but in case there be no quorum present at the time fixed for any special meeting, the meeting shall be declared adjourned.

ARTICLE 7.

Proposed Amendments

All proposed amendments to or revisions of the By-Laws shall be submitted in writing, at a meeting of the Chamber, but no such amendments or revisions shall be voted upon before the next meeting.

ARTICLE 8.

Rules

Section 1: No person shall hold the office of President or Vice-President for more than two succeeding years, unless he shall be re-elected by a vote of three-fourths of the ballots cast at the election, and the same vote shall be necessary for each succeeding re-election of same person to the same office.

Section 2: Meetings of the Chamber shall be held at the call of the Board of Directors or on the requisition of five members of the Chamber.

Section 3: Meetings of the Board of Directors shall be held at the call of the President or that of three members of the Board.

Section 4: From one to ten days' notice of the time, place and object of any meeting of the Chamber shall be given and no business other than designated in the call may be acted upon.

Section 5: Members whose dues are in arrears, shall not be allowed to vote.

Section 6: Members of the Board of Directors unless absent from the city or prevented by illness from attending shall cease to be a member of the Board of Directors in case of absence from three consecutive meetings.

Any Member of the Board of Directors who is leaving Shanghai for three months or more shall cease to be a member of the Board upon leaving Shanghai.

Section 7: The Annual meeting of the Chamber shall be held in the month of March of each year, or as soon thereafter as may be convenient.

Section 8: All disbursements shall only be made as authorized by the Board of Directors.

Section 9: The Chamber will undertake the arbitration of any dispute in commercial matters that may be submitted to them provided that both parties to the dispute sign the special form provided by the Chamber, agreeing to abide by the decision of the Arbitration Committee. The fee shall be in accordance with a scale which the Board of Directors shall from time to time fix.

Section 10: That the foregoing By-Laws shall be printed and a copy forwarded to each member on admission.

THE
CHINA PRESS
SHANGHAI

Proposed Amendments to the By-Laws and Rules of the American Chamber of Commerce

(a) The Chamber shall be styled the "American Chamber of Commerce, With Which is Associated the American Association of China."

(b) Section 1 of Article 1 of the By-Laws should be amended by adding thereto the following clause. "and do all things that may seem necessary or desirable to promote the general welfare of the American Community."

(c) Section 6 of Article 2 of the By-Laws should be amended to read as follow: "Individual Members: Any American Citizen in good standing, who is not eligible for election as a corporate member of the Chamber, may become an individual member of the Chamber."

(d) Section 3 of Article 4 of the By-Laws should be amended by adding thereto a new paragraph which should read as follows: "There is hereby created a special fund to be known as the Community Fund, which shall consist of the balances to be taken over from the American Association, to which shall be added one-half of the individual membership dues and such further sums as may be transferred thereto from the general fund by the Board of Directors or contributed thereto from other sources. The Community Fund shall not be disbursed except for civilian relief and general community purposes upon the recommendation of the Community Committee. All moneys accruing to the Community Fund shall be paid in to the Treasurer and all disbursements from said Fund shall be by checks drawn by the Treasurer against vouchers duly executed by the Chairman or Vice-Chairman of the Community Committee."

(e) Article 5 of the By-Laws should be amended by adding thereto a new section to be known as Section 6, which section should read as follows:

"There shall be a permanent committee to be known as the Community Committee, appointed and confirmed by the President and the board of directors at the first meeting of the board of directors after each Annual Meeting of the Chamber.

"The Community Committee shall consist of not less than seven members of the Chamber, a majority of whom shall be selected from the individual membership.

"The Community Committee shall have charge of civilian relief and such other community matters as may be referred to it by the board of directors."

UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
COMMERCIAL ATTACHÉ SERVICE

TRADE COMMISSIONER
3 CANTON ROAD
SHANGHAI, CHINA

SHANGHAI
August 22, 1927.

PERSONAL

Dear Mr. Brench:

The leading article in *Export Trade and Finance*, July 23 issue, herewith is very well done as I think you will agree. It sets out the problem here so well that I suggest it be reproduced in the Bulletin so's to keep up heart among the boys in the trenches and offset the reports we get here of the other kind of viewpoint being so freely broadcasted at home.

It is my suggestion also that the Chamber supply Mr. Warrack Wallace, with plenty more ammunition.

Export Trade and Finance is apparently read widely by export managers of American manufacturing enterprises. I will be glad to help re-editing this if it seems too long for the bulletin, and giving it a little preamble which could include a waiver or responsibility clause if the Chamber feels that it does not want to endorse the statements in toto. The British Chamber published a good deal of material with little notes at the head to the effect that publication does not necessarily imply endorsement. Maybe the American Chamber would like to fully endorse the attached.

This article might not get to Congress or to people that count in any other way than the medium of the Bulletin. Credit should be given the publication for re-print.

A. B. C.

write

I think if we gave this man some ammunition he would ~~write~~ a defense of the Chamber or take up the cudgels for American business in China more specifically, probably with effective results. He decries criticism of the State Dept. but if he were shown the predicament of American business he might be glad of the opportunity to grind out another equally effective article.

OK. go ahead
Brench

AMERICAN CHAMBER OF COMMERCE

CABLE ADDRESS
"AMCHAMCOM"

ROBERT DOLLAR BUILDING
POST OFFICE BOX 357
SHANGHAI, CHINA

TELEPHONE
C. 4742

October 27, 1927.

American Commercial Attaches
SHANGHAI

Act'g
Rec'g
Ass't
File No.
OCT 27 1927

The Board of Directors of the American Chamber of Commerce extend a cordial invitation to you to be present at a dinner to be given by the Chinese-American Relations Committee of the American Chamber of Commerce in the American Club on Monday, October 31, at 8:30 p.m.

Mr. A. Bland Calder,
American Trade Commissioner,
SHANGHAI.

CABLE ADDRESS
"AMCHAMCOM"

AMERICAN CHAMBER OF COMMERCE

ROBERT DOLLAR BUILDING
POST OFFICE BOX 357
SHANGHAI CHINA.

TELEPHONE
C. 4742

*ForWARDED
ck 515 no
June 20, 1927.
W.S.S.*

AN APPEAL TO SHANGHAI AMERICANS.

The American Community Chest, inaugurated three years ago by joint action of practically all American organizations in Shanghai, has now become an institution to which Americans in this district can justly point with pride. It dispenses relief to members of the community who have met with misfortune and to American citizens from other parts of the world who have landed here in a destitute condition, always working in close harmony with other relief organizations in order to prevent duplication and fraud.

In addition to this, the committee in charge of the Chest makes appropriations for the suitable celebration of national holidays, such as the Fourth of July, Decoration Day, Thanksgiving Day, etc.

Based on our experience of several years, we estimate that the requirements for 1927 will be approximately Mex. \$7,500. This entire amount must be raised locally, for since the withdrawal of the American Red Cross from the China field, no help has come from abroad.

We are now making an appeal to all members of the American Community for contributions to the Chest, and the minimum amount asked from each adult individual is Mex. \$5.00. Larger contributions will, of course, be gratefully received, and also contributions from or on behalf of children. But if we are to make a success of this campaign we must have an average of not less than five dollars from each adult.

The need is an urgent one, and of deep interest to every patriotic American citizen. It is, therefore, hoped that all receiving this letter will immediately fill out the attached form and return it with check or cash in the enclosed stamped envelope, and thus save the committee for making a personal call, and a receipt card will be returned.

In order that in the future there be less duplication of relief and to relieve Americans generally of personal and individual responsibility and trouble, it is requested that in the event you are approached for assistance you refer the applicant to Mr. Wm. Van Buskirk, at the United States Court for China, 11 Whangpoo Road, (or in the case of women applicants, to Mrs. C. H. Hanscomb, c/o American Women's Club, 66 Szechuen Road). Mr. Van Buskirk is an official investigator and after his investigation the case is referred to our Committee and assistance is given if it is a worthy one. By following the plan suggested a saving will be effected of much good intentioned but often wasted charity, and we are sure you will agree that it is to the best interests of American prestige that relief cases be handled expeditiously and adequately.

Faithfully yours,

Major C.P. Holcomb, Chairman,)
Geo. A. Fitch,)
G. W. Philleo,)
F. J. Raven,)
C. C. Foulk,) Community Fund
L. F. Patstone,) Committee.
C. M. Wentworth,)
Warren Manley, Secretary,)
W. Van Buskirk, Investigator,)

CABLE ADDRESS
"AMCHAMCOM"

AMERICAN CHAMBER OF COMMERCE

ROBERT DOLLAR BUILDING
POST OFFICE BOX 357
SHANGHAI, CHINA.

TELEPHONE
C. 4742

October 19, 1927.

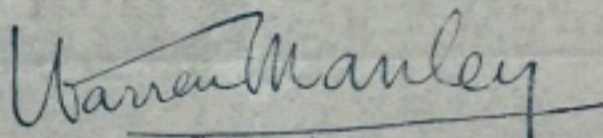
To the Board of Directors,
American Chamber of Commerce,
Shanghai.

Please be advised that the regular weekly meeting of the Board
of Directors will be held in the American Club

Friday, October 21, at 12:15 p.m.

Very truly yours,

AMERICAN CHAMBER OF COMMERCE,


Secretary

AGENDA.

1. Report Chinese-American Relations Committee.
2. Report Special Committee re Surtaxes.
3. Judge Williams.

9 AM
A 1260

September 14, 1927.

To the Board of Directors,
American Chamber of Commerce,
Shanghai.

Please be advised that the regular weekly meeting of the Board
of Directors will be held in the American Club

Friday, September 16, at 12:15 p.m.

Very truly yours,

AMERICAN CHAMBER OF COMMERCE,

Warren Manley
Secretary

AGENDA.

1. Proposed Insurance Taxes.
2. American School Budget.
3. Letter re Advertising Far Eastern Review.
4. Report of Chairman Evans, Entertainment Committee.
5. Report of Shipping Committee.

September 22, 1927.

To the Board of Directors,
American Chamber of Commerce,
Shanghai.

Please be advised that the regular weekly meeting of the Board
of Directors will be held in the American Club

Friday, September 23rd, at 12:15 p.m.

Very truly yours,

AMERICAN CHAMBER OF COMMERCE,

Warren Manley

Secretary

AGENDA.

1. Shanghai American School.
2. Cable from Mr. Rea Policy of the Chamber.
3. Appointment 3 Representatives, Shanghai
General Chamber of Commerce, meeting
re Native Orders.
4. Enrollment American Red Cross.
5. Appointment proxy American School
while Mr. F. F. Fairman is absent.

AMERICAN CHAMBER OF COMMERCE

CABLE ADDRESS
"AMCHAMCOM"

ROBERT DOLLAR BUILDING
POST OFFICE BOX 357
SHANGHAI, CHINA

TELEPHONE
C. 4742

December 12, 1927.

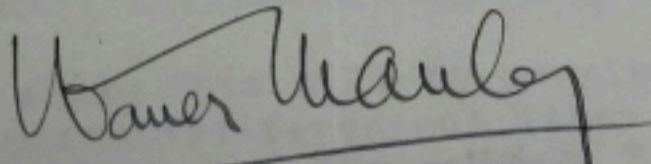
Mr. A. Bland Calder,
3 Canton Road,
SHANGHAI.

Dear Mr. Calder:

We take pleasure in in-
forming you that President French has
appointed you a member of the Committee
of Thirty, representing the commercial
interests.

Very truly yours,

AMERICAN CHAMBER OF COMMERCE,


Warren Manley
Secretary

WM-t

CABLE ADDRESS
"AMCHAMCOM"

AMERICAN CHAMBER OF COMMERCE

ROBERT DOLLAR BUILDING
POST OFFICE BOX 357
SHANGHAI CHINA.

TELEPHONE
C. 4742

American Consulate General,
Shanghai, China, October 3, 1927.

Subject: Duty on Imports.

Chairman,
American Chamber of Commerce,
3 Canton Road, Shanghai.

Sir:

Reference is made to the letter of September 9, 1927. from the Secretary of the Chamber of Commerce inquiring whether American merchants can clear cargo by depositing with the American Consul General the treaty duty and the two 2½% surtaxes and to my reply of September 13th stating that the Department of State had instructed the Consulate General on August 1st that it could not become the depository for Customs revenues in the manner suggested by you.

I now take pleasure in advising you that I have been authorized by the Department of State and am prepared to accept deposit of the treaty duty, wharfage and conservancy dues on consignments of wines and liqueurs subject to the special 30% stamp tax and on consignments of tobacco products subject to the 50% tobacco products tax, and to inform American warehousemen that there is no objection to their releasing such cargo.

The conditions under which this will be carried out will be made known to you and interested firms not later than the fifth instant. Suffice it to say that the request for the release will be made upon the payment of treaty duties only.

Very respectfully yours,

(Signed) Edwin S. Cunningham,
American Consul General.

Shanghai,

October 26, 1927.

C. H. French, Esquire,
President, American Chamber of Commerce,
Shanghai.

Dear Mr. French:

In response to your request for statistical information on the several items noted on your memorandum to me, I submit, herewith, the information in as great detail as is now possible to secure.

I am afraid that some of the commodity items which you have selected to secure figures on will not be very useful in attempting to forecast the potentialities of the future as regards markets in China for American products. In other words, you have selected items which form the very largest proportions of the total volume of trade as it now obtains, whereas in the trade of the future items such as iron and steel products, automotive vehicles, machinery and miscellaneous manufactured articles will doubtless increase to staggering figures compared with the present very small volume of these items. Thus the general figures of total trade will probably be of more value for your purpose than some of the more detailed commodity information included herein.

- - - - -

| | |
|--|------------------|
| U. S. Grand Total Exports to all Countries, 1926 - | \$4,808,465,005. |
| To China | \$110,205,014 |
| To Hongkong | 12,818,752 |
| To Kwantung L.T. | 6,465,742 |
| Total | \$129,489,508 |
| or 2.69% of grand total. | |
| | |
| To Japan | \$260,754,079 |
| or 5.42% of grand total. | |

- - - - -

Japan therefore at present is twice as good a market for American products as China. It is conceivable that with three to five decades of progress in China on a scale similar to what has taken place in Japan, that China (having six or more times the population of Japan) might be taking as much as 6 x \$260,000,000 or \$1,560,000,000 worth of American products annually, or more than all of Europe is now buying annually from the United States.

Eastern Asia (which includes China, Hongkong, Kwantung Leased Territory, Japan and Soviet Russia in Asia, but not including French Indo China or Southern Asia) in 1926, bought a total of \$391,650,168 worth of American products.

| | | |
|---|-----------------|------------------|
| Net imports to China from Abroad - 1926 | - | HF 1,124,221,253 |
| of which from Hongkong | ¥ 124,572,673 - | 11% |
| " Japan | 336,909,441 - | 30% |
| " U.S.A. | 187,647,086 - | 16.7% |
| " Great Britain | 116,269,419 - | 10% |

(average value of the Haikwan Tael in 1926 was U.S.G\$0.76.)

Japans Grand Total Imports in 1926 amounted to
Yen 2,377,484,493

| | |
|---------------------|-----------------|
| of which from China | 10.07% of total |
| " Gt. Britain | 7.16% " " |
| " U.S.A. | 28.61% " " |
| " India | 16.45% " " |

Japans principal imports in 1926 consisted of:

| | |
|--------------------------------|-------------------|
| Foodstuffs, drink & tobacco- | Yen 350,280,000 |
| Raw materials - | 1,341,918,000 |
| Manufactures for further use | |
| in manufacturing - | 357,181,000 |
| Articles wholly manufactured - | 314,982,000 |
| Miscellaneous items - | 13,115,000 |
| Total | Yen 2,377,476,000 |

A few important specific items of Import into Japan in 1926, imported in considerable proportions from the United States, were:

| | |
|---------------------------------|-----------------|
| Iron & Steel products - | Yen 102,326,000 |
| Construction materials - | 9,354,000 |
| Petroleum, crude, kerosene | |
| and gasoline - | 30,154,000 |
| Machinery and parts thereof - | 90,686,000 |
| Automobiles and parts thereof - | 15,722,000 |
| Raw cotton - | 725,935,000 |
| Wheat - | 93,349,000 |
| Lumber - | 103,978,000 |
| Leather - | 8,188,000 |
| Pulp for paper making - | 10,496,000 |
| Watches and parts thereof - | 9,506,000 |

Tobacco & Tobacco Products:

| | <u>Pounds</u> | <u>G. Dollars</u> |
|---|---------------|-------------------|
| Tobacco & Manufactures of, to all countries | | \$157,421,676 |
| " Unmanufactured " " " | 487,077,402 | 136,922,358 |
| Leaf Tobacco to all countries | 478,768,738 | 136,675,268 |
| " " U.S. to China | 85,813,776 | 20,547,061 |
| " " U.S. to Japan | 7,233,285 | 2,379,228 |
| | <u>Millie</u> | <u>G. Dollars</u> |
| Cigarettes from U.S. to all countries | 9,539,335 | \$ 17,897,731 |
| " " " to China | 6,873,305 | 12,065,519 |
| " " " to Japan (no classification) | | |

Petroleum:

| | <u>Gallons</u> | <u>G. Dollars</u> |
|--|----------------|-------------------|
| Petroleum & Petroleum products to all countries | | \$554,194,651 |
| Petroleum, Crude " " " | 647,053,881 | 28,495,773 |
| " " U.S. to Japan | 56,063,844 | 1,535,909 |
| " " U.S. to China (no classification) | | |
| Gasoline, Naptha & other light products to all countries | 1,736,647,897 | \$263,557,384 |
| Gasoline, Naptha & other light products to China | 8,117,103 | 1,379,734 |
| Gasoline, Naptha & other light products to Japan | 20,703,630 | 3,802,173 |
| Kerosene, to all countries | 912,906,458 | \$ 99,183,908 |
| " to China and Kwantung L.P. | 113,100,000 | 15,855,036 |
| " to Japan | 102,536,581 | 13,690,182 |
| Fuel Oil to all countries | 1,449,688,394 | \$ 45,354,000 |
| " " to China | 27,902,281 | 1,198,652 |
| " " to Japan | 90,241,523 | 2,214,227 |
| Lubricating oil, to all countries | 389,160,002 | \$ 86,822,190 |
| " " to China | 5,304,275 | 1,178,215 |
| " " to Japan | 8,487,816 | 2,412,570 |

| <u>Automobiles, Parts and Accessories, to all countries</u> | | <u>\$320,166,335</u> |
|---|------------|----------------------|
| | <u>No.</u> | <u>Value</u> |
| Motor trucks and busses, to all countries | 66,755 | \$ 47,079,424 |
| " " " " to China | 890 | 512,069 |
| " " " " to Japan | 167 | 292,185 |
| Passenger cars, except electric, to all countries | 238,481 | \$176,481,302 |
| " " " electric to China | 1,724 | 1,257,544 |
| " " " " to Japan | 1,642 | 1,599,791 |

Industrial Machinery:

Industrial Machinery U.S. to all countries 1926 C\$179,669,196
(no classification for Japan or China.)

Railway Material & Equipment:

| | <u>Tons</u> | <u>G. Dollars</u> |
|--|------------------|-------------------|
| Rails to all countries, 1926 | 187,557 | \$ 7,643,232 |
| " to China | 4,586 | 204,763 |
| " to Japan | 34,378 | 1,452,026 |
| Railway ties to all countries, 1926 | 3,760,623 pieces | \$ 3,508,453 |
| " " to China | 55,376 | 40,115 |
| " " to Japan (no classification, supply own requirements) | | |
| Railway switches, signals & attachments exported during 1926 to all countries (no details available) | | \$ 505,460 |

I trust the foregoing will assist you in the preparation of the material you are getting together.

Very truly yours,

A. Bland Calder
Trade Commissioner

ABC-B

P.S. (The following refers to Page 1, paragraph 2.)
For example China's total imports of all steel products such as scrap iron and steel (forming a large proportion), galvanized sheets, tubes, etc., tin plate, bars, angles, rods, wire, pipe, etc. in 1926 amounted to about H.K. Taels 33,262,000. only, or C\$25,279,000., whereas Japan's imports of steel products (which include very little scrap steel) in 1926 totalled about double that amount of Yen 102,326,000. or C\$48,000,000.

CHUNG HUA

華中

A MONTHLY JOURNAL OF THE CHINA CLUB OF SEATTLE,
PUBLISHED IN THE INTEREST OF FRIENDLY RELATIONS
BETWEEN THE PEOPLES OF CHINA AND THE UNITED
STATES AND OF A MORE PERFECT MUTUAL UNDER-
STANDING OF THEIR IDEALS AND CIVILIZATION. / / / / /

Vol. 1

Seattle, Washington, U. S. A., July, 1928

No. 4

CHINA SENDS SPOKESMAN TO INSTITUTE

Dr. Ch'ao-chu Wu, Minister of Foreign Affairs of the Nanking Government of China up to December 29th of last year and since that time official representative of the Nan-



Dr. Ch'ao-chu Wu

king Government on a mission to Europe and America, is visiting Seattle to attend the Institute of International Relations.

The Nationalist flag now floats over Peking. It has been stated that an idea—the

idea of democracy—and not military conquest put it there. That idea was engendered a century ago when China first made regular contact with foreigners. Perhaps the most potent factor in the growth of national self-consciousness of the Chinese has been her Western-trained students who on their return have taken back the conception of a republican China. Of this group Dr. Wu is a most distinguished member. And how very significant is this occasion that brings Dr. Wu to the Institute of International Relations as a representative of the democratic leadership in China—itsself the product of international contacts—at a time when in China complete victory over reaction seems almost within grasp.

Dr. Wu's father was one of China's greatest diplomats, Dr. Wu Ting-fang, for many years the Chinese Minister to the United States. Dr. C. C. Wu also has rendered distinguished service in behalf of his native land. He was a member of China's first Parliament; he led the Southern delegation to Versailles in 1919; he assumed the office of Minister of Foreign Affairs of the Nanking Government at a time when Soviet influence threatened the life of the Kuomintang movement and served until he had seen the Communistic clique thrown out of the party and had regained the good-will of the Chinese people and of the Powers.

Dr. Wu combines the fine qualities of the traditional Chinese scholar with the training of the West. He has displayed political talents of the first order. As gentleman, scholar, patriot and as representative of China and of the Chinese people, Seattle cordially welcomes Dr. Wu.

THE LEAGUE'S TASK IN ASIA

New international relations between Asiatics and Europeans are in the making. There is internationalism as well as nationalism in Asia.

Can Asia ever weld itself into an alliance of color against white? Will it find in the new Soviet world, the way to its ambition? Or, again, can the League of Nations carry the benefit of its spirit and its method to Young Asia and thus draw the sting from the growing feud between East and West? Geneva or Moscow? is the sum of these queries, which are written on the whole landscape from Riga to Tokyo, from Angora to Singapore.

The answers are difficult to guess. Soviet Russia holds the chief of many keys to the problem. She needs Europe, she aspires to lead Asia.

But Moscow sees Japan in the Far East. Some observers confidently point to Russo-Japanese rivalry in Manchuria as the proof of coming war. There is no such certainty. A Russo-Japanese understanding based upon a compromise of interests in the Far East is not impossible or improbable.

And what might be the fate of China if Japan and Russia should make an entente in Manchuria? The answer depends on many factors and something more than a reading of Japanese or Russian interests and needs to elucidate them, for they are also problems in psychology.

We know that the militarist doctrine of Japanese imperialism no longer goes unchallenged in Tokyo. And from that we may conclude that Japanese opinion is amenable to reasonable influence. If so, our bearing toward Japan and the general trend of public opinion in Europe will play some part in moulding her mind and in influencing her policy.

In a word the behavior of Europe at Geneva will profoundly affect the action both of Moscow and of Tokyo and as British interests in Asia are paramount, her actions in the League will play a part in deciding the fate of two continents.

—Sir Frederick Whyte.

NANKING'S NEW POLICY

Dr. C. T. Wang, newly appointed minister of Foreign Affairs of the Nanking Government, who is a Rotarian and a Mason, is well known to Americans especially for his



Dr. C. T. Wang

work as Chairman of the Tariff Conference which met in Peking and of which Mr. Silas Strawn was the American member. On his assumption of office he stated in part:

"Our fundamental policy should be internal improvement. With the cessation of fighting we one and all should devote our energy to the improvement and reorganization of our industries and the spreading of education among our people. * * * It is to be hoped that the friendly nations will accord to China sympathetic assistance in her efforts to realize her aspirations by first freeing her from treaty restrictions and secondly by giving her material aid."

On June 16th, two days after this statement was made, the Nanking Government issued a formal declaration to the Powers, a portion of which reads:

"The revolution led by the Nationalist government has as its primary object the building up of a new state. As the military period of the revolution is closing, the Nationalist government is now engaged in the work of rehabilitation and reconstruction so that the new state may soon be realized."

"Now that the unification of China is being consummated we think the time is ripe for taking further steps and begin at once to negotiate—in accordance with diplomatic procedure—new treaties on a basis of complete equality and mutual respect for each other's sovereignty."

The spirit animating both statements is admirable and augurs well for the satisfactory working out of the many unsettled Sino-foreign questions. The fact that prior emphasis is in both instances placed on domestic rehabilitation rather than on treaty revision is worthy of attention as indicating a firmer grip of the realities underlying China's relations with the other powers.

CHINA'S COAL RESERVES

A new estimate of the coal reserves of China, contained in a special report of the Geological Survey of China, places the total at 217,626,000,000 tons, this being considered a conservative calculation, and being composed of anthracite, 43,593,000,000 tons, bituminous coal, 173,465,000,000 tons, and lignite, 568,000,000 tons. The productive capacity of mines partly under British control is placed at 3,090,000 tons annually, the production of the chief coal-mines in China each year being estimated at 18,537,000, the principal mines being Fushun (Japanese) with an output of 4,900,000 tons, and Kailan (Sino-British) with an output of 4,500,000 tons. The total production of coal by mines is given as 24,547,000 tons.



"To understand life in China take a pinch of the struggle of the Early Church; throw in a little of the European Renaissance; add some of the wild thinking and bloody events of the French Revolution; pour in a good quantity of the Spirit of 1776; add a little Bolshevik red pepper; then mix well and cook until half baked."

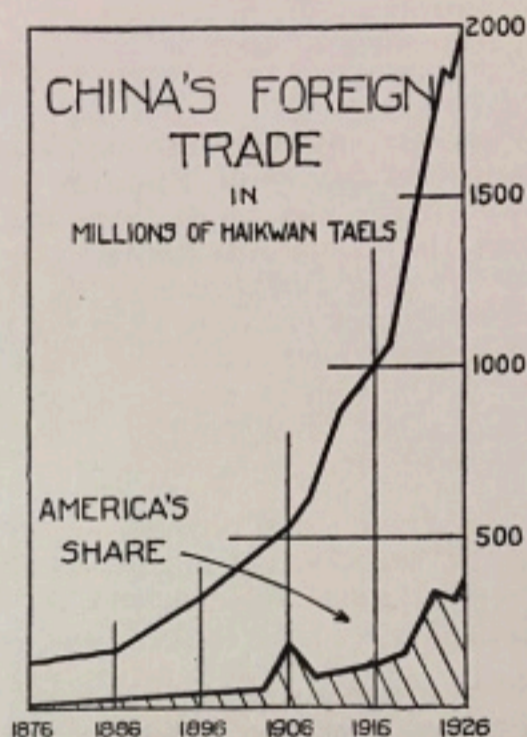
—Dr. Paul Monroe.



He who would understand both the past and the present must read five cartloads of books.

—Chinese Proverb.

CHINA'S POTENTIAL TRADE



"A billion potential customers await America's business men on the other side of the Pacific" is the significant statement of Dr. Julius Klein of the United States Bureau of Foreign and Domestic Commerce.

The above graph indicates what the modernization of China during the past fifty years means in terms of world commerce. China's trade in that time has increased ten fold. We want what China has. China wants what we have. The result in exchange of commodities amounted to a total of Chinese imports and exports in 1926 of 1,988,000,000 taels, about gold \$150,000,000. America's share of this trade was gold \$288,000,000, which equals if it does not surpass the share of trade of any other country with China.

China today has less railway mileage than the State of Washington; fewer telephones than the city of Seattle and a less number of automobiles than the city of Tacoma. China is the greatest potential market in the world. A unified China under a strong government might increase its demand to the point where it would be the largest consumer of foreign goods in the world. When the per capita foreign trade of China equals that of Japan, her trade will reach the staggering total of \$12,000,000,000 per year.

CHUNG HUA

(China)

華中

Monthly Organ of the
CHINA CLUB OF SEATTLE

541 Henry Building Seattle, Wash., U. S. A.

OFFICERS

President W. E. Priestley
First Vice-President J. F. Douglas

Honorary Vice-Presidents

H. B. Earling Dr. W. G. Hiltner
C. S. Harley Lew G. Kay
J. R. WestTreasurer L. F. Macklem
Executive Secretary Phillip Nyren

TRUSTEES

| | |
|------------------|--------------------------|
| W. S. Allen | Lew G. Kay |
| Henry Blackwood | O. A. Kjos |
| Shirl H. Blalock | H. K. Mar Dong |
| H. B. Earling | Dr. M. A. Matthews |
| A. S. Eldridge | K. J. Middleton |
| Goon Dip | W. H. Olin |
| Dr. H. H. Gowen | Reginald H. Parsons |
| A. F. Haines | William Pigott |
| D. J. Hanscom | W. E. Priestley |
| J. T. Hardean | Chester E. Roberts |
| Andrew Kan | Dr. Edward Lincoln Smith |
| | R. J. Tozer |

EDITORIAL BOARD

Clancey M. Lewis, Chairman
Shirl H. Blalock Lew G. Kay
Dr. W. G. Hiltner Clarence Martin

Subscription Rate 50 cents per year

華

邦 固 動 解 力 中 友
交 中 藉 並 爲 國 諸
美 此 互 同 會 君、
素 庶 惠 情 誓 西
厚 可 之 之 決 雅
之 鞏 運 諒 竭 圖

THE MAN YOU DON'T
KNOW IS THE MAN
YOU DON'T LIKE

The week of July 22 to 27 will be a memorable one not only for Seattle but for all countries on the Pacific Rim. The Institute of International Relations, which will be held

at the University of Washington, will undoubtedly prove of immense importance in the furtherance of friendly international feeling.

The trouble with nations is that they are two apt to exaggerate the differences between races rather than look for similarities. Many people in this country look across the Pacific and talk about the "mysterious Orient" and imagine that the peoples across the Pacific are different in physical fibre than ourselves.

As a matter of fact the Oriental countries are filled with millions of people who are simply bent on making a living to support themselves and their dependents. There is nothing particularly mysterious about any portion of humanity, except as we ourselves are part of the eternal mystery of life.

It has been truly said that the men you don't know are the men you don't like, and it is very essential that we should learn to know more of our neighbors in other lands. Modern science is eliminating distance and frontiers. The closer we are drawn together the more we are going to breed war or peace.

The China Club welcomes the Institute of International Relations. We in the United States realize the need of international acquaintance. We believe that the Institute is a valuable medium for the cultivation of friendship and understanding.

A story is told of a small coal mining village in England. Two of the colliers noticed a stranger walking down the street. "Who is he?" asked one. "He's a stranger" was the reply. "A stranger," said the other, "Then let's heave 'arf a brick at 'im."

We smile at the story, scarcely realizing that we ourselves may be guilty of throwing mental "arf bricks" at the stranger.

Because we believe that the Institute of International Relations will give us a broader outlook we trust that it will prove so successful that it will become a permanent institution in our city.

—W. E. P.

CHINA TRADE NOTES

Trade opinion in China is to the effect that the undertone of the markets of Central and South China is healthy, as conditions in those areas continue to show signs of a

gradual though general improvement. Collections at Shanghai for the first five months of 1928 are roughly 1,500,000 Haikwan taels greater than for the corresponding period of 1927. Import duty collections at this point increased approximately 17%, while export duty collections increased about 7% over the first five months of 1927. Business out of Shanghai to Tientsin and Tsingtau has fallen off considerably because of the uncertainty existing in that area.

At Hankow export trade showed but little improvement in May, due largely to the unfavorable exchange situation. Imports, however, increased considerably over those of April, which was the slump month of 1928.

Steamer service along the lower Yangtze continues normal, and along the middle river conditions are satisfactory, but upper river shipping is still handicapped.

With the uneasy political and military situation which characterized North China during June, trade suffered severely. Railway traffic also suffered, resulting in the congestion of both inward and outgoing cargo.

Of the general imports through Shanghai plain shirtings and sheetings, black sateen drills, blankets and rugs, cigarettes, gasoline, lubricating oils, showed the most marked increases for the first three months period of 1928 as compared with the same period of 1927. Foodstuffs, generally, kerosene and imports of artificial silk and cotton piece goods declined in the same period.

At Tientsin the cotton piece goods import trade suffered greatly during the first quarter of 1928. Kerosene imports and all petroleum products generally declined.

Into Hankow, generally speaking, more textiles and petroleum products moved during the first quarter of 1928.

The declared exports of Chinese goods destined for the United States during the first five months of 1928 were valued at approximately the same figure as those for the same period of 1927. May exports, however, showed an increase of approximately $2\frac{1}{4}$ million gold.

THE MONTH'S NEWS REVIEW

The meeting at the Tomb of Sun Yat Sen of the four outstanding military leaders of the Nationalist forces was one of the most dramatic incidents in Chinese events of the past month.

This does not necessarily mean that these great generals have buried their present jealousies by the grave of their famous and almost sainted leader. Well wishers of China would hope that this might be true. It would be a great step forward in the unification of the nation and would show to the world that China is putting her own house in order. Then all the difficulties about unequal treaties and extraterritoriality would be quickly adjusted and China would eventually be recog-

Go East via PORTLAND Thru the Scenic Columbia River Gorge

YOUR LOGICAL ROUTE TO

SALT LAKE CITY, DENVER
COLORADO SPRINGS
OMAHA, KANSAS CITY
ST. LOUIS •• CHICAGO

New through sleeper

•• to Chicago ••

Leaves Seattle

11:15 P.M. Daily

FROM UNION STATION

UNION PACIFIC

THE OVERLAND ROUTE



nized as one of the leading nations of the world.

Peking is now held by the Nationalists under the control of Governor Yen Hsi Shan. He has a small force under his orders. General Feng, with his large and well-trained army, is just outside the walls of the northern capital. They have driven the northern forces, once controlled by Chang Tso Lin (now admitted to be dead) into Manchuria, and his army overshadows all other contending forces.

The announced resignation of Chiang Kai Shek as Generalissimo seems to be a break in the line. The Nanking Government has not accepted and they may not. It is apparent, however, that Feng has considerable power at Nanking. His appointee—Dr. Wang Cheng Ting—has been made Minister of Foreign Affairs. Dr. Wang is well suited for the task assigned him. At the Paris Peace Conference, and in the settlement of the Shantung affair with Japan, he has shown great ability. The present complicated international situation with the Japanese in Shantung and in Manchuria and with the Russians, needs just such a wise leader to keep China out of grave international complications.

Several hundreds of Chinese and Japanese have recently been killed in China and several thousand Chinese are still being held as prisoners by the Japanese. If this breach can be healed and an open break, causing a war, can be averted, the world will recognize the good sense of both nations and will have greater hope for the outlawry of war in the years to come.

—Dr. Walter G. Hiltner.

MISCELLANY

"America's purchases of raw silk in 1927 were record-breaking and it must be something of regret to all friends of China that with its enormous possibilities China only furnished 14 per cent of America's raw silk purchases while Japan furnished 86 per cent."

"Notwithstanding the long-continued trade disruption in China, the Chinese consumption of American products in 1927 was 240 per cent in excess of the pre-war average."

"The genius of China may be said to be the genius of the ordinary man, the worthwhileness of the commonplace."

—Dr. Henry T. Hodgkin.

"Who is there who can make muddy water clear? But if allowed to remain undisturbed, it becomes clear of itself."

—Lao Tze.

"Shall not America say with the great humanitarian of a century ago: 'We take our stand with those who are struggling out of darkness into light.'"

—Dr. Paul Monroe.

BOOK REVIEW

China: Yesterday and To-day: by E. T. Williams. Revised Edition, Crowell, N. Y., 1927. Pp. xviii + 665. \$4.50.

This work, which appeared originally in 1923, is undoubtedly one of the best and most authoritative in the English language dealing with the social, economic and religious institutions of China and of the daily life of the Chinese people. Dr. Williams went to

NOT A JAR IN THE JOURNEY
ON

The
New **OLYMPIAN**

*the easiest riding train
in America*

Roller Bearings and Electrical Operation make this possible.

Many other new and attractive features are embodied in this popular transcontinental train.




Further information cheerfully furnished.

J. F. BAHL

Asst. Gen. Pass. Agent
Seattle, U. S. A.

China as a missionary in 1887 and has had a distinguished career in the United States Foreign Service in China, in 1914 taking charge of the Division of Far Eastern Affairs in the Department of State. In 1918 he accepted the Chair of Oriental Languages and Literature at the University of California. This revised edition brings the story down to May, 1927. "The aim kept constantly in view in preparing the book has been to describe the China of yesterday as contrasted with the China of today."

LEON & STIEPAN
 Direct Mail  Printing Co.
 PRINTING ENGRAVING

Now located at 209 Seneca St.
 Phone Main 6746

Better Grade Printing at Reasonable Prices



North Coast Limited

Leaves Daily 9:30 A.M.
 for CHICAGO

Every travel comfort and luxury—NO EXTRA FARE

TICKET OFFICE
 1209 FOURTH AVENUE
 (Opposite Olympic Hotel)
 PHONE ELIOT 5560

**NORTHERN
 PACIFIC
 RAILWAY**

Speed Across America

Via Seattle and the

THE "Oriental Limited"
 — train de luxe between Chicago and the Pacific Northwest. Every latest travel comfort. Excellent cuisine. Matchless scenery in the Cascade mountains and 60 miles along Glacier National Park in the glorious Great Northern Rockies.



A Dependable Railway

SHIP your freight by Great Northern. Over 8000 miles of rails for efficient freight and passenger service. We maintain offices in New York, Chicago, Detroit and Seattle that specialize on Export and Import traffic, and will gladly assist in handling shipments.

C. W. MELDRUM
Asst. Gen. Passenger Agt.

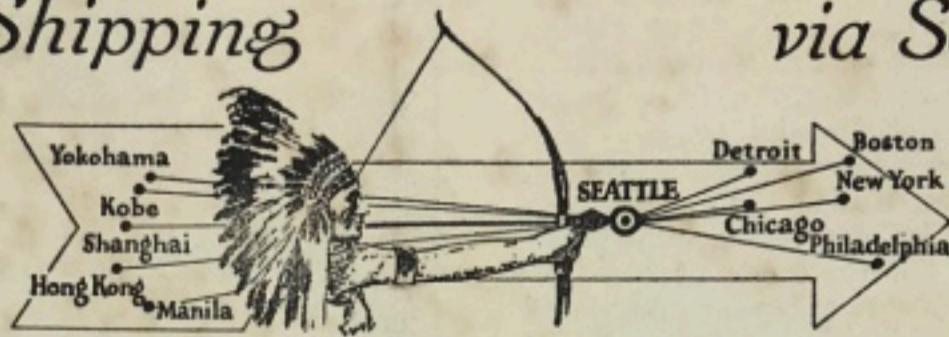
M. J. COSTELLO
Western Traf. Mgr.

W. R. DALE
Export and Import Agt.

Fourth Floor, Douglas Building, Seattle, Wash.

City Ticket Office at 1205 Fourth Ave., Opposite Olympic Hotel

Save Days and Dollars
by Shipping via Seattle

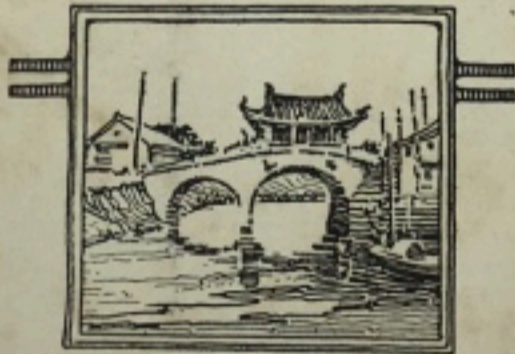


SEATTLE, by reason of its strategic position, 500 miles nearer to the Orient than any other American port, and the unparalleled facilities of its public terminals, offers the transpacific shipper a rare combination of basic advantages:

- | | |
|---|--|
| <p>1—One to seven days less "in transit" time with proportionate savings in insurance and interest charges.</p> <p>2—One to seven days quicker delivery to principal markets and distributing centers of America or the Orient.</p> | <p>3—Low handling, insurance, and storage charges at Seattle public terminals.</p> <p>4—Expeditious, economical, and efficient transshipment from ship to car.</p> |
|---|--|

Enjoy these advantages — ship *via Seattle!*

The Port of Seattle



ROUND THE PACIFIC
ORIENT TOURS

See Japan and the Inland Sea. China, and her ancient cities. Manila,—a bit of old Spain in a tropical setting. Visit Yokohama, Kobe, Shanghai, Hongkong and Manila.

Here is a vacation at a small expense. Round trip fare to Manila via Japan and China as low as \$750. Include Honolulu if you will, on the return journey, which may be made via San Francisco. First class accommodations and meals are included in this price.

You sail on a magnificent President Liner. Broad of beam and steady. Luxurious, comfortable, swift. Beds, not berths. Spacious decks. Enjoy the world famous cuisine.

Short side trips and stopovers by arrangement. Combine business with pleasure. For complete arrangement communicate with

AMERICAN MAIL LINE

City Ticket Office 4th at University
General Offices 1519 Railroad Ave. South
SEATTLE, WN.

D. J. HANSCOM
General Passenger Agent

L. L. BATES
General Freight Agent