

CORRESPONDENCE

THE COMPRADORE SYSTEM.

To the Editor of the

"NORTH-CHINA DAILY NEWS."

SIR,—In your yesterday's review on Dr. Hodgkin's book, "China's Place in the Family of Nations," your writer questions the truth of Dr. Hodgkin's prediction that the present system of compradores will soon be replaced by direct agencies held and managed by the Chinese, who if not ousting the foreign business men altogether, will seriously challenge their supremacy. Your reviewer doubts those statements, on the ground that we Chinese have not yet learnt the sacredness of trust funds and that the native dealers do not face their losses when the market goes against them. He does not give the sources of informations on which he bases his conclusions, but let me hope that they are extensive enough to justify his coming, to those conclusions.

But so far as I know of my own countrymen, we have as good a sense of the sacredness of trust funds as anybody else. We judge whether a person be a gentleman or not by the way he handles other people's money. Some of us may have forgotten to be scrupulous with their neighbour's property, but they are rather the exceptions, which, as Mr. Gordius Nielsen says in a letter to you on a similar topic, only prove the rule.

GAMBLER OR MERCHANT.

And as regards the failure of the native dealers in carrying out their contracts owing to the big rise in the exchange value of gold, while I admit that their conduct will always be a stain on the good name of the Chinese merchants in their dealings with foreigners, at the same time I cannot hold the foreign firms who were parties to those contracts, entirely free of blame. They must have known that those Chinese dealers were really gambling on exchange and not doing business for legitimate gain, and should not have compounded with their practices but put a stop of signing any more speculative contracts. A Chinese merchant's word may, or may not, be his bond, but a gambler's word whether he be Chinese or foreigner, rarely, if ever, is, especially when he is playing a losing game.

Let me hope that it will not be attributed to my partiality to my nationals, if I say that where we Chinese are really weak, is not in our essential moral character, but in our knowledge of the modern practices and ethics of commerce. Like you we love beauty and honour nobleness in character. Like you, we believe in being, and desire to be, kind to others, faithful to our duties, honest, courteous and loyal in our engagements. But in the

language we speak, in our ideals, and in the conceptions of what these very virtues consist, there was and still is vast difference between the East and West. Besides, we had always been and are still, a nation of farmers, self-sufficient, and depending very little on traders, who had never occupied a high social position or wielded great influence in the state. We lacked your experience, which is the result of centuries of doing business on a great scale, and had not the knowledge of the systems and methods evolved through generations of international trade. Inexperience and ignorance are bound to cause mistakes and blunders.

INEXPERIENCE AND IGNORANCE.

And it was through this inexperience and ignorance that the anomalous position of a compradore in a foreign firm came into being. Men who brought capital and brains to the conduct of business and who would have been made equals and partners in firms in any other countries were here made to occupy a subordinate position. But the death warrant of such a system was signed on the day it received its lease of life. It is not now only, when thousands and thousands of Chinese are learning your languages, mastering your arts and sciences, and qualifying themselves in the different branches of your professions and commerce, that the days of such a system are limited. On the day when the first foreigner and first Chinese made a business bargain, it should already be evident that the employment of compradores could not last for ever. The term of compradores is the term of apprenticeship we Chinese serve for learning the experience we want and the knowledge we have not. As soon as the term is over, the apprentices will set up their shops on their own account.

And the change will be beneficial to both the producers and consumers. It will be beneficial to the latter, because the doing away with intermediaries will always reduce the price of things, and to the former, because the change will bring into being a new class of Chinese merchants, with broad views, more enterprising and initiative, who will push the sales into places and quarters where no old fashioned compradore would ever think of going.

DR. HODGKIN'S GREAT SERVICE.

Therefore Dr. Hodgkin, when he discusses this phase of the commercial life in China, is not carried away by his love and enthusiasm for the Chinese as his critic would make him out to be, but shows real knowledge and insight into his subject. By making his views public, he may be rendering the foreign business men a service, by preparing them for the change, which is inevitable. The foreign business man can either gain by dint of application and perseverance, a

more intimate knowledge of the different businesses so that he may carry on without a com-pradore, or he can forestall the day by taking Chinese as partners in his firm and making them thus their comrades instead of rivals.

And for the same reason, such criticism as appeared in your yesterday's paper may do mischief all round. It may create a sense of false security in the minds of the more superficial among the foreign business men. They may mistake a deficiency in training and discipline for national characteristics or natural disabilities, and therefore may have a rude awakening when the change does come. On the other hand, such views must be irritating to the genuine Chinese merchants, who cannot help chafing under the injustice, while they will not have the least edifying effect on the gamblers.

I must apologize to you and your readers for the great length of this letter, my excuse being the importance of the subject and the hope that some of you may want to know what we Chinese have to say on these things.

I am, etc.,

A CHINESE MERCHANT BUT

NOT A COMPRADORE.

Shanghai, Dec. 2, 1923.
