

BRITISH TRADE WITH CHINA

Interesting Address by Mr. Archibald Rose: How Wars Interfere with Commerce: The New Machinery of Distribution and Awakening of Business-men

FROM OUR OWN CORRESPONDENT.

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Mr. Archibald Rose, late British Commercial Attache in China, last Friday delivered a very interesting lecture before the members of the Old Colony Club on the "Possibilities of Trade Development in China." Mr. Rose said that it was a great pleasure to address an international club on the subject of China, for some interesting and successful experiments in international action and co-operation had been made in China during the last half-century. The Government of the "Model Settlement" at Shanghai, for instance, was conducted by an International Council of busy men who gave their time voluntarily to this arduous task; and, although the interest and the citizens of many nations were involved and American interests were by no means preponderant, an American Chairman had been chosen and had presided over the Council for the last two years with great satisfaction to all concerned.

It was not possible to lay down any golden rule in regard to the development of trade in China, for there was no golden road to trade there. It was a very special market, requiring special experience for success. An outline of general conditions in the country, however, might be useful. China had just been through one of her recurrent phases of unrest. These disturbances were part of a long and still unfinished struggle among the various provinces of that great country to evolve some form of national Government. Out of the last struggle one man, Chang Tso-lin the Governor of Manchuria, appeared to have come out on top; that might ensure at least a temporary period of peace, and an opportunity for constructive work, both in China's internal affairs and in her international relations. It was impossible, however, to ignore the fact that these provincial struggles were a great handicap to trade and prosperity in the country. Trade required stability and security, open communications and freedom from irregular taxation. All these important requirements were missed by the producing and trading classes, both Chinese and foreign, during times of unrest. Producers lost interest in production, traders were afraid to trust their cargoes on the highways, banks were nervous of financing business, railway and river transport were blocked, irregular and excessive taxation blocked all enterprise, international treaties and obligations fell into abeyance, and there was general insecurity of life and property. Those people who are carrying on an illicit trade in arms in China, and thus fostering incessant unrest, are the enemies, not only of the Chinese people, but of the whole human race. It would be a great thing for China if the League of Nations could take up this matter and put a stop to the traffic in arms.

Disturbances, Mr. Rose continued, such as had recently shaken the political and commercial life of China naturally injure everyone in the country. They cripple the Government revenues and the prosperity of the people; and the foreign trader suffers with the rest. Internal unrest is no new thing in China. But we are more conscious of it nowadays, because a good deal of constructive work is going on in all parts of the country. In the old days the great bulk of trade was concentrated in the Treaty Ports, such as Shanghai, Canton, Hankow and Tientsin. Goods filtered out to the consumer in the interior in a more or less haphazard

way; there was no real organization of distribution. In recent years, however, there has been a remarkable advance in the methods of trade. The Chinese have shown great adaptability and enterprise in adjusting modern methods of trade to suit conditions in their own country. As a result a very efficient machinery of collection and distribution is being built up gradually throughout the interior of China. It is far more efficient and more economical than the old methods of trade. It is helping the Chinese farmer to sell his produce to best advantage, and the Chinese consumer to buy what he needs from distant places at the cheapest possible rates. It has raised the standard of living in a remarkable way, and it is increasing the real wealth of the country. But the new machinery of trade is still delicate and sensitive to disturbing influences. Peace and good government in the interior are therefore increasingly important to trade. The future development of trade is dependent on the healthy development of the interior. That is the one big factor which must be remembered when considering the commercial future of China, whether from the point of view of the foreign trader or of the Chinese themselves.

It is important to recognize that the Chinese, like other Asiatic nations, show an increasing desire to take a more direct and active part in the big commercial and industrial issues in their own country. China has been self-supporting for thousands of years, but it is quite obvious now that she appreciates and can pay for many foreign commodities; that she can supply the world with many things that the world needs; and that she is amazingly elastic in suiting her production to world requirements. The rapid development of the Soya bean industry, of cotton growing and of coal mining in the last few years illustrate this fact. The desire to play a more direct part in trade, and especially in foreign trade, has been caused partly by the new patriotic spirit and consciousness of nationalism in China; but even more by the practical common-sense and business ability of the Chinese. They have proved themselves an enterprising, able and law-abiding race, both industrially and commercially, in all those countries surrounding China (such as the Straits Settlements, the Philippines, the Dutch Indies and Burma) which have offered them hospitality and security. Their full development as producers—and consequently as purchasers—has been limited only by the fact that conditions in China are not yet suited to the requirements of big modern enterprises and of joint stock companies, which require capital, security, organization and a highly-developed law and administration. Most valuable work of development in commerce and industry has been done in recent years on the basis of co-operation between Chinese and foreigners. Each has a great deal to offer to the other, and in the present stage of evolution in China each is essential to the welfare of the other. Mutual trust and a joint pool of experience between the Chinese and foreign commercial and industrial communities are the secrets of success as far as our present experience goes.

But in spite of all the unrest, there are hopeful signs for the trade of China. The real productive forces in the country are still going on, agriculture is becoming more efficient and is responding more and more to the requirements

of China herself and of the outer world. The great port of Shanghai is being demilitarized as a result of the recent struggle in the Yangtze delta. A new sense of life and activity is spreading throughout the country, and, with the first sign of stability and security, there is no doubt that capital and credit will be available to back up the productive efforts of the Chinese people.

It is very difficult to say whether the Powers could do anything to help China in her time of trouble. They made one sincere effort to do so at Washington in 1922, but succeeding disturbances in China have made progress difficult. There is no doubt, however, that co-operation between the Powers, and more especially between those nations with great commercial interests in China, such as Great Britain, America and Japan, is a thing greatly to be desired; that all would gain by affording to China that sympathetic support which she needs in her present period of transition; and that stability in China would be a great guarantee for peace in the Far East. There is no fear of any foreign domination in China nowadays. The Chinese are too strong and too shrewd to permit any real interference in their internal affairs. Disturbing forces are always at work, Bolshevik propaganda and anti-foreign agitations. The Bolshevik element preaches repudiation of treaties and other foreign obligations. But the Chinese know that the treaties have been a focus of stability during a period of chaos, and their traditional honesty and good sense will stand them in good stead in judging the right course. China can be trusted to keep a fairly even balance between her neighbours. It is up to those who wish her well, and who wish for mutual advantages from relations with her, to keep their standards high, and to try and help China with sincerity and courage.