

U. S. May Outstrip All in Far East Trade!

BY H. S. LIANG

The possibility that America's trade in the Far East and especially in China will soon outspeed and outstrip that of other foreign countries and on other continents, South America included, is envisaged by Dr. Jeremiah W. Jenks, Ph. D., and LL. D., president of the Alexander Hamilton Institute and research professor of government, New York University, in an address before the annual convention of the National Association of Manufacturers.

Since Secretary Seward bought Alaska for the United States in 1867," Dr. Jenks said, "the minds of most Americans have turned to the Pacific and the West, with the thought that that was to be our coming market. Since that time also we have noticed an ever-increasing development in the growth of our trade with the Far East. The figures show, especially of late years, an increase by leaps and bounds, and it takes only a mildly prophetic eye to see our Far Eastern trade, especially our trade in China, outspeed all others. We have only to consider the needs for their products to see just how that trade is going to develop. Man's wants are the cause of trade. The more men there are, the more needs there are and the greater the trade.

Vast Oriental Populations

"When we consider the population of the Far Eastern countries, with the 400,000,000 of China, the 60,000,000 of Japan, the 12,000,000 of the Philippines, together with the millions in the Dutch East Indies and Singapore, and even India, we can see how gigantic the possibilities are.

"Modern China may be said to have begun in the year of 1890, the Chinese not showing any special signs of a desire for Western commodities until that date. China's total foreign trade (imports and exports) increased from about \$91,000,000 in 1865 to \$115,000,000 in 1895 (assuming \$75 per Haikwan tael for these two figures). By 1915 it had increased to \$550,000,000, and in 1926 had reached a grand total of \$1,832,726,000. It will be seen from these figures how rapid this growth has been.

Change in Character of Trade

"The change in the character of the trade is even more noteworthy than the growth in volume. In 1880, for example, the imports of China consisted of opium, 40 per cent; cotton piece goods, 30 per cent; metals, 5 per cent; whereas in 1925 the imports, amounting to about \$800,000,000 gold, consisted of cotton goods and cotton yarn, 9 per cent; raw cotton, seven per cent; kerosene oil, 7 per cent; metals, 4 per cent; tobacco and cigarettes, 4 per cent. Opium had dropped out of China's legitimate imports completely. Kerosene imports, which had amounted to 3,500,000 gallons in 1880, reached in 1925 a total of 258,000,000 gallons. By 1925 a total of the main commodities was only 37 per cent of the whole (less than the opium alone in 1880), the remaining 63 per cent being made up of a great number of the articles that contribute to the necessities of modern economic life.

"The exports of China show a somewhat similar change, with a total of \$650,000,000 gold for 1925, consisting of raw silk, 20 per cent; beans and bean products, 18 per cent; raw cotton, 4 per cent; skins, hides and fur, 4 per cent; peanut and peanut products, 3 per cent; the remaining 51 per cent was made up of such varied exports as egg products, tungsten, antimony, vegetable oils; with tea no longer an export factor of first importance.

"In the earlier years Great Britain had an overwhelmingly predominant place in China's trade, but in recent years the United States and Japan have been rapidly crawling up.

U. S. Predominant in Some Lines

"The United States is especially predominant in two or three particular lines; in petroleum, for example, and softwood lumber, cotton piece goods and automobiles. It is also a fact that American canned goods are rapidly increasing in use in China, as well as fresh fruits and vegetables from the United States in spite of the fact that China has a remarkable selection of vegetables and fruits. In 1925 almost 30,000,000 boxes of American oranges were imported into Shanghai alone. American flour has also become one of the important imports.

"It is evident from these facts that the trade with China is rapidly increasing. A much greater increase in trade with that country and the Orient at large is to be anticipated, coming from an increasing population, added wants and desires of the people, and especially perhaps from added purchasing power.

"At the present time the purchasing power of China for foreign goods is about \$2 per head a year; whereas Great

Britain's purchasing power is about \$147 per head a year. We can see that there is still very great chance for an increased standard of living in the Far East, which is certain to increase greatly our exports there, and with our exports will grow also doubtless our imports."

Detroit, Mich., U. S. A., October, 1927.