

CHINA COMMERCE CLUB OF CALIFORNIA

MERCHANTS EXCHANGE BUILDING
SAN FRANCISCO

CHINA COMMERCE INDEX
(Circulation to Members)

SPECIAL SUPPLEMENT
April 21, 1919

China's Industrial and Commercial Outlook

By Julean Arnold, American Commercial Attaché, Peking

Reprint from *Peking Leader*, Anniversary Supplement, 1919

Many Westerners to-day contrast, unfavorably, undeveloped, disorganized China with a well ordered, developed and strongly ruled Japan, and rashly decree that China is fated evermore to remain undeveloped and disorganized unless some strong power from without imposes a dictatorship and orders the railroads built, the mines developed and all the material blessings of modern science and industry bestowed upon it against the protest of a people whose civilization, antedating that of all nations extant to-day, should entitle them to a voice in the matter. These unreasonable, superficial critics of China fail to take cognizance of the fact that the Japan of to-day with its railways, steamships and factories and army and navy, was not the Japan of yesterday.

It is within the lifetime of men of to-day that Japan has risen from a disorganized feudal state, where the people were essentially agricultural and industry was of a very primitive sort, where attacks on foreigners were disavowed by rulers who professed inability to control the various warring factions, where Christianity was persecuted, where extra-territoriality was necessary and where anti-foreign outbreaks were frequent. Many Westerners resident then in Japan, some of whom are still living, despaired of Japan's ever being able to become a strong, united, modern industrial society capable of contributing in a substantial way to the trade of the world. There were probably some

who forty years ago advocated a foreign dictatorship for Japan in order to hasten its material developments, just as there are some to-day foolishly advocating a foreign dictatorship for China to hasten China's material developments.

Causes of China's Backwardness

Japan deserves credit for what it has accomplished during the past forty years. It is because Japan has been able to do what it has during this period, that we should dispel pessimistic views regarding the future of its larger, wealthier western neighbor. Progress in China, as measured by the ordinary present-day conception of progress, has been slow—so slow in fact that in the eyes of some observers almost anything by way of action from without is justifiable to hasten this movement. These unsympathetic or superficial critics of the Chinese people fail to take cognizance of a number of factors which naturally have prevented rapid developments among the loosely organized, democratic pacifist people of China, among which are:

- (1) The extensive area of the country, its continental nature, its natural barriers which have cut it off from contact with the outside world and its large population.
- (2) The perpetuation through a period of many centuries of a system of education which, like the

education of medieval Europe, directed the minds of the people to the past and cast the intellect of the nation in a mould. This system in China encouraged the development of individual, as represented by the family unit, rather than group or social activity.

(3) The lack of a military caste or an aristocracy which, when the needs of change became apparent, might have assumed the leadership and hastened developments, as in the case of Japan. In democratic China progress must proceed from the bottom up rather than from the top down—a slower process.

Phenomenal Changes During Last 20 Years

To those who continue to criticise China for what they term a lack of ability to do anything for itself, let us point to the phenomenal developments of the past twenty years, developments which show for little on the surface but speak volumes for the future because of their very depth. Among these may be mentioned:

(1) The abolition of the system of education based upon the classics and the substitution in its place of a system based on Western models. This means that China is executing the order "about face" and looking into the future and away from the past. Let it be said to the credit of those who are instituting this new education that it looks for its model to the remarkable system developed for the people of the Philippine Islands.

(2) The development of a constitutional government has come as a result of China's contact with the West. The events of the past twenty years will be recorded in history as epoch making in their influence on the extension of constitutional and representative government in the Far East.

(3) The rise and growth of the native press, which is quietly assuming an influential position in forming a public opinion among the Chinese people. Foreigners in China do not all appreciate the force of this army of educators represented by the native press which is in evidence in every city of China and which has had its inception since 1900.

(4) There is no one development in China during the past twenty years which lends more hope for the future or indicates more clearly that the people are sound at heart, than the effective work which has been done by the Chinese themselves, to rid their country of the curse of opium. In spite of the lack of a strong centralized government, in spite of its revolutions and rebellions, in spite of the efforts of certain interests to force the drug on the people, China has done a noble work in its opium suppression campaign.

(5) Probably the greatest development in China in its significance for the future is the growth of a national spirit which, as modern educational facilities increase, will go forth with greater strides.

How the West Can Really Help China to Progress

We have, then, in the above five factors making for progress in China, great essentials to the development of a free and strong people. With this foundation, the West need not fear for the future of China, so long as the West adopts an attitude of patient, kindly, helpful sympathy and establishes its relations in such a way that the principles of the open door and of equal opportunity become an actuality, and they cannot so become until all so-called "spheres of influence" are abolished and all foreign railways in China are internationalized and deprived of all political significance.

We have only to look at the history of the industrial, commercial and economic developments of other nations during the past forty years to appreciate what the world may expect from China during the next few decades. Forty years ago Germany was primarily an agricultural country, and smaller and poorer in resources than China. Japan, forty years ago, was just emerging from a feudal civilization.

In trying to secure some idea of the potentialities of China in commerce and industry, we can probably do no better than to contrast it with the developments in the United States, a continental country, with an area and many physical characteristics quite similar. We must, however, always bear in mind that we have in China a population four times as great as that of the United States of today, and that China and the territory contiguous gives us one-half of the population of the earth. We hear much of the foreign trade of Australasia, which, in the aggregate, is equivalent to almost as much as that of China, but which on a per capita basis equals \$160 per annum. China's foreign trade is about \$2.50 per capita. Relatively speaking, if it were developed to the extent of Australasia's, it would be about 65,000,000,000 taels a year, in place of 1,000,000,000 taels. Japan's per capita foreign trade today is \$18 gold, seven fold that of China. The per capita trade of the United States is \$85, thirty-four times that of China. China's foreign trade should exceed that of the United States, for it has a wealth of cheap labor potentially efficient, and the raw materials and natural resources in her own and contiguous territory. During the past thirty years, China's foreign trade has increased tenfold, in spite of unfavorable conditions. It may be expected that during the next thirty years it will increase another tenfold, or to what we would today consider stupendous proportions. Even then it would only be the present per capita equivalent of that of the United States.

Must Develop Communication Facilities

To reach these figures in her foreign trade, it presupposes internal developments almost beyond the stretches of our imaginations—yet developments quite within the range of its potentialities

and quite possible of consummation. In the first place, China must develop adequate communication facilities, which mean roads, railways, waterways, telegraphs and posts. Of equal importance with railways are good roads. Thirty years ago good roads were scarcely known in the United States, whereas today there are probably 200,000 miles. The state of Illinois, which is about equivalent in area to Shantung Province, but with only one-fifth its population, has recently arranged for the construction of 4500 miles of auto roads to cost \$60,000,000 gold, or \$13,000 a mile. Good roads can be constructed for about half this amount in most places in China, and at about one-tenth the cost of railroads. The farmers of Shensi, on the rich fertile lands of the Wei Basin, raise thirty to forty bushels of wheat to the acre, and, because of their dependence on cart and pack animal transportation, which cost them from eight to eighteen cents Mex. a ton mile, they are unable to get this wheat to the Hankow or Shanghai markets, where it commands three times the price it does in Shensi. Thus the more wheat they raise over and above their own wants, the worse off are they.

Roads are necessary feeders to railways. In the United States the railways looked with fear on the development of auto roads, and thought it would cripple their business, but they found that the more roads built the more freight came to the railways. It is gratifying to note the growth of an interest in China in good roads. Beginnings have already been made. Foochow, Changsha, Tsinanfu, Peking and Shanghai have inaugurated work on good roads. At Foochow it was found that roads actually pay as a business proposition, as real estate values advance along the road and the license fees on vehicles bring in a large revenue. There are at present in use in the United States 5,000,000 motor cars, over half of which are owned and operated by the farming population, indicative of good roads in the country, which allow the farmers to get their products to the markets economically, and sell them where they command the highest prices. In all of China there are less than 10,000 motor cars and less than 1000 miles of good roads.

Foreign Railway Interests to be Internationalized

China has an area larger than that of the United States and a population four times as great, yet has but 6500 miles of railways as compared to America's 265,000. Wheat can be transported by rail in the United States at 7/10 of a cent gold a ton mile, while it costs from 8 to 18 cents Mex. a ton mile to transport it by cart or pack in West China. Unfortunately, the attitude of foreign nations toward railway building in China has not been conducive to developments in a larger way. The object of railway construction should be to open the country generally and to look for the returns from these larger developments, rather than to treat the railway as a commercial asset in itself.

Railway agreements have been so drawn as to present in actual practice obstacles to further railway developments on the part of other interests. It will be necessary, in order to open China's wonderful wealth of potentialities in commerce and trade to the outside world, that foreign railway interests in China be internationalized, and that spheres of influence be abolished. China remains the only country of any size and population in the world today practically without railways. The comparatively few miles which the country has are veritable gold mines when operated in a reasonably business-like way. Hundreds of thousands of square miles of fertile lands lie undeveloped and unoccupied in China because of lack of railway transportation facilities to render them accessible and open them to colonization and development.

Potentialities in Electric Railways

America, with its 265,000 miles of railways, with its 200,000 miles of good roads, and with all the equipment which these signify, still finds the country complaining because of lack of adequate transportation facilities and discussing the expenditure of billions of dollars to electrify many of the railways so as to increase their efficiency and cut down the cost of operation. Another subject new to China is the electrical railway and the development of its hydro-electric power possibilities. There are in operation in the United States 50,000 miles of electric railways, including city and suburban lines. Of a possible 60,000,000 horsepower of hydro-electric power, the United States has developed 6,500,000. China's potentialities in electric railways and in hydro-electric power are marvelous, but remain to be developed.

Waterway transportation in China is in some respects very advanced, for the reason that a large area and population have had to depend on it. We find the Chinese centered about the sections provided with waterways. *No country in the world has as large a boating population as has China.* No creek or stream is too small or too shallow for water craft. *Certain sections of the country are net works of canals, which reflect great credit upon China's engineering capacity centuries ago.* Internally, much can be done by co-ordination, conservancy and extension to improve China's wealth of waterways.

Harbor Facilities and Merchant Marine

The Pacific ports in the United States, with a population west of the Rocky Mountains of less than 5,000,000, are expending upwards of \$100,000,000 on their docks and harbors to provide for anticipated trade expansion. Few are the piers at which ships can come alongside in ports in China to load and discharge cargo. Hundreds of millions will have to be spent on the harbor facilities of China during the next few decades to meet the needs of commercial expansion.

In the trans-oceanic trade China has still to put a ship under its own flag. The wealth acquired by Japan during the European war came principally because of its merchant marine. One company alone in Japan now has a fleet of 100 vessels, aggregating 600,000 gross tons, whereas thirty years ago Japan had not a vessel in the trans-oceanic trade. The fact that Chinese could operate the China Merchants Steamship Navigation Company against the unfavorable conditions which the company has had to meet during the past thirty years indicates that when these obstacles are removed great success will attend their efforts in building a mercantile marine. A Chinese company at Shanghai has contracted to build ten ships of 50,000 tons for the United States Shipping Commission, and we may expect it will not be many years before modern shipbuilding will become an important industry in China and serve China's need for a mercantile marine.

Shipping Lessons of the War

The United States has learned by the war that it cannot depend for its foreign trade upon foreign ships, and China has had this lesson brought home to her even more forcibly, for during the past few years tens of thousands of tons of cargo have remained at China ports unshipped for lack of tonnage, while rates charged by foreign ships were so high that other tens of thousands of tons could not afford to seek markets abroad.

Communications also include telegraphs, cables, postal facilities and telephones, all of which add to the wealth-producing possibilities of a people. China has 1.3 miles of telegraphs to each 10,000 of its population, as compared to 4.6 miles for Japan and 22.6 miles for the United States; in other words, China has 11,000 miles of telegraph wires as compared to America's 1,627,000 miles. In telephones China has in the aggregate probably less than 25,000, while New York City alone has 550,000.

Needed Improvements in Agriculture and Industry

Next in importance to transportation facilities are improvements in agriculture and industry. The foundation of China's prosperity depends upon its agricultural wealth. At present it is estimated that about 70 per cent of the population is agricultural, as compared with 33 per cent in America. Nothing indicates more clearly developments in the United States in agriculture than does the fact that over 50,000 patents have been granted on agricultural implements and machinery.

During the next few decades farming in China will be revolutionized, if it keeps pace with the industrial and commercial progress of the country. In the first place, the farmer will have to be provided with facilities for getting loans on reasonable terms. The present usurious rates of 25 per cent and 30 per cent will have to give way to rates which will help rather than hinder agricultural de-

velopment. Co-operative buying and selling and co-operative farming should replace the present individualistic, competitive and wasteful system. For instance, in the tea industry either the tea manufacturers and growers will have to buy up large tracts of tea lands and grow the tea or the small growers will have to form co-operative associations.

United States Going "Dry" Is China Tea's Grandest Opportunity

The possibilities at present for the extension of the sales of China teas in America are unprecedented. The country is going dry and is seeking substitutes for alcoholic beverages. Already the consumption of tea has increased from 100,000,000 to 150,000,000 pounds as a result of this condition, and during the next ten years it is capable of an increase to double this amount, or 300,000,000 pounds. Here is the China tea's grandest opportunity, but to meet it tea manufacturers and merchants must have standardized products, must not be at the mercy of numerous middlemen, and must unite for an advertising campaign in the United States; otherwise all the advantages in the possibilities of increased consumption in America will go to India, Ceylon, Java and Japan, where the tea interests are more enterprising and have more favorable conditions among their producers.

Already some Chinese tea merchants have purchased land and are trying to meet the situation as described above. There are evidences also of the organization among the China tea interests of a tea association to further the trade developments in this product, which has such a big future before it. It is to be hoped that the Chinese government will interest itself in furthering this promising industry.

New Methods of Sericulture

China gave silk, as well as tea, to the world. Sericulture is the leading industry to the farmers of several of the densely-populated provinces of China, and might easily become that of some of the other sections. There are needs, however, of improvements in both the mulberry and the silk worms as now cultivated. China produces the best silk in durability and textile strength of any in the world, but there is too little of the superior qualities and a great waste in the cultivation of poor mulberry leaves and inferior cocoons, where, with the same expenditures in money, labor and time, superior products might be produced. America today imports more raw silk than any other country in the world, taking \$125,000,000 gold worth each year. Less than 20 per cent of this comes from China.

If the Chinese silk growers can be taught to grow better cocoons and to reel their silk to suit the American high-speeded looms, the silk interests in China will profit by the increase of tens of mil-

lions in their business in the United States. The International Committee for the Improvement of Sericulture in China, to which the Chinese Ministry of Agriculture and Commerce contributes Tls. 4000 a month, is selecting seeds by the Pasteur process which are being distributed to Chinese growers. This committee finds that only 15 per cent of all eggs examined are fit for hatching, whereas the practice of the Chinese farmers has been to pay no attention to egg selection. The Nanking University is also contributing to the improvements in sericulture in very substantial ways.

Mr. D. E. Douty, representing the American Silk Association, came to China two years ago and addressed large audiences of Chinese silk growers and merchants on the subject of improvements in sericulture and in the production of the raw silk, and awakened a great interest; in fact, concluded, as a result of his tour over the country, that the Chinese growers and producers will change their methods, when convinced that it pays to do so, but they, like peoples everywhere, must be shown in a way that they can understand.

Flour Milling Industry

Wheat production in China is stimulated by the development of the modern flour milling industry which already has a daily capacity of about 25,000 barrels. The Nanking University has recently interested itself in this work, calculated to assist the wheat growers in selecting better seeds. Here, again, an industry with marvelous potentialities, suffers badly for want of co-operative selling, as numerous middlemen gather the products from the tens of thousands of small growers and make it difficult for the mills to secure clean wheat at reasonable prices, but the mills are combining so as to meet this difficulty.

China probably produces about 200,000,000 bushels of wheat annually, the equivalent of one-quarter of that of the United States. Improved transportation facilities, improved methods of marketing the wheat and improved seed selection are all essential factors to the development of a modern flour milling industry, now well established in China. In the United States the aggregate daily capacity of the flour mills is about 400,000 barrels, as compared to China's 25,000.

Soya Bean Trade One of the World's Seven Commercial Wonders

In the soya bean, China has found a product which has great possibilities in its foreign trade. It is probably safe to state that the sudden rise of the soya bean from a position of comparative obscurity to a position of prominence in the world of commerce during a period of little more than a decade, constitutes one of the seven commercial wonders of the world. Beans and bean products

now rank third in value in China's exports, amounting in 1917 to Tls. 63,270,000.

Another product which has developed very extensively in recent years as an article of export is the peanut or ground nut. About twenty years ago an American missionary brought a quart of American peanuts to Shantung as seeds to be distributed among the farmers in his district. In course of ten or fifteen years, Shantung Province became the leading peanut-producing section in the whole of China, and peanuts assumed an important place in China's list of exports, amounting just prior to the war to 70,000 tons for shelled nuts and 50,000 tons for oil.

New Trade in Eggs

Although a sort of a by-product, eggs have risen to a prominent position in China's foreign trade. There are no poultry farms in China. The people throughout the country nearly all keep a few hens, and the eggs are collected in very small lots from the fairs or markets to which they are carried by the people themselves. The improvements in transportation will greatly aid this industry, as may be surmised when it is stated that eggs can be purchased in Shensi Province, where there are no rail or water connections, at three for a cent, whereas they command a cent a piece in the sections along the rail and waterways. China now exports over 300,000,000 preserved and fresh eggs and over 50,000,000 pounds of egg yolk and albumen annually. Improvements in the breeds of hens will aid this industry materially. It has been discovered that hens in some sections of China lay less than fifty eggs a year each, whereas a good laying hen should produce between 150 and 200 eggs; also the size of the egg can be increased by improving the breeds.

Animal Husbandry

A big work remains to be done in China in animal husbandry. Chickens, pigs, cattle, horses and mules can be improved by some attention to breeding. The dairying industry remains to be developed in this country. Very few cows, probably less than a few hundred, are kept in China for milk purposes, whereas in the United States there are 20,000,000 milch cows. Because of the lack of a dairying industry, China has become a big importer of condensed milk. Chinese flour mills find it difficult to secure a market for their bran on account of the absence of a dairying industry. In the North of China, especially in Mongolia, exceptionally good conditions prevail for the development of the cattle industry and for the extension of the raising of sheep and wool.

China raises many sheep now and produces good mutton and wool, but the quantities may be greatly increased. Woolen mills, tanneries, shoe factories and packing houses will follow the developments in the cattle and sheep industries, as they offer

splendid opportunities for capital and labor. Interest is already being manifested in the potentialities of these industries and expert direction will come to their aid in their extension and upbuilding.

Promising Trade in Vegetable Oils

China's future in vegetable oils is very bright. Great advances in these products in their market possibilities abroad have been made during the past few years, and during the next few decades the bean, peanut, rapeseed, sesamum seed and cotton seed oils trade of China will assume positions of great importance in the world's trade in vegetable oils. Crushing mills and refineries will grow up in China in large numbers, as evidenced by the developments already being made in this direction.

New Interest in Cotton Industry

Much interest is being exhibited now in the cotton industry. China produces about 2,500,000 bales (500 pounds each) annually, as compared with America's 12,000,000 bales. The production can be greatly increased by increasing the yield per acre through scientific seed selection and through the care of the plants, pruning the lower non-boll-producing branches. Fortunately, the China cotton will not hybridize with other cottons, which makes easy the introduction of the foreign products. The Chinese interested realize that it is to the interests of the industry to restrict the developments in any given section to the one variety of American cotton adapted to that section which may be grown along with the shorter staple Chinese cotton.

The Nanking University is working with the Cotton Anti-Adulteration Society and with the Foreign and Chinese Millowners' Associations in experimental work. The Chinese Government Ministry of Agriculture and Commerce and the Peking-Hankow Railway are also aiding in the cotton improvement and extension work. Mr. Chang Chien, former minister of agriculture and commerce, is conducting at Nan-Tung-Chow, his home, a cotton school where 100 students are being trained both in cotton growing and cotton manufacture. He has here also a cotton experimental station and modern cotton spinning and weaving mills. Mr. C. C. Nieh and Mr. Y. C. Moh, large cotton mill owners at Shanghai, are co-operating effectively with these agencies in the development of the cotton industry.

In cotton manufacture, China is particularly favored. It offers the most promising field in all the world. Cotton goods constitute one-quarter of China's entire imports, amounting to \$150,000,000 annually, over half of which is cotton yarn. With its cheap labor, its ability to grow cotton extensively and its enormous home market for its manufactured products, it surpasses all other countries in its cotton-manufacturing outlook.

Growth of Cotton Mills

Cotton mills at Shanghai have been declaring 20 per cent dividends for a number of years past. The Ewo Mills averaged 26.5 per cent for the past eight years. One of the Chinese mills has averaged 20 per cent for the past twelve years. There are now 1,300,000 spindles in China, compared to 3,000,000 in Japan, 33,000,000 in the United States, and 52,000,000 in England. The ordinary mill, capitalized at Tls. 1,500,000, would have 50,000 spindles. China has 5000 looms, compared to Japan's 30,000 and England's 840,000. There is reason to believe that China will within a few decades increase its spindles to thirty or forty millions and its looms to several hundreds of thousands.

At present the short-sighted policy of the government taxing raw cotton grown in the country, so that Chinese mills have to pay more for it than do the mills in Japan or any other foreign country, naturally hurts the industry in China. It will be also advisable to place foreign raw cotton on the duty-free list, as is done in Japan, in order further to encourage manufacture in China.

Wonderful Wealth in Coal and Iron, etc.

China is favored with a wonderful wealth in coal and in a good supply of iron ore—two essentials to modern industrial development. To indicate how little China has developed its marvelous wealth in coal, the country imported, during 1917, 14,000,000 tons. It is estimated that China produces now 20,000,000 tons annually, but it is supposed to have richer resources in coal than has the United States, which, in 1918, produced 650,000,000 tons. In iron ore it has been estimated that China has 400,000,000 tons suitable for furnace reaction, and an additional 300,000,000 tons which might be worked by native methods. During 1917 it is estimated that China's production of pig iron was 500,000 tons. The developments in the iron and steel industry in China are making rapid strides and a few years hence it is expected that the production of pig iron and of finished steel will be several millions of tons annually. The United States estimates a production of 45,000,000 tons of steel for 1919, 10,000,000 of which is expected to go to France. In antimony and in tin China is also particularly rich, and considerable progress has taken place in the mining and smelting of these ores during the past few years. China should jealously safeguard its mineral worth, so as to preserve it for the country's welfare.

Modern Business Methods and Organization

As regards developments in modern business methods and organization in China, the commendable success which the Chinese have made of the modern department stores at Canton, Hongkong and Shanghai, and of such corporate institutions as

the Commercial Press, which employs 1000 people and has its branches and agencies all over China, and the modern Chinese banks, fifteen of which are members of a bankers' association, which meets daily at its own building to discuss matters of interest to the member banks, as also the industrial plants already referred to, indicates the ability of the Chinese successfully to conduct corporate enterprise, in spite of the unfavorable conditions created by the lack of an effective body of laws and courts to protect their interests, and in spite of the lack of a government to function constructively for the encouragement of agriculture, commerce and industry, and in spite of a chaotic currency. With the development of a stable government administered in a way to encourage commerce and industry, which, with a helpful, sympathetic attitude on the part of foreign nations, is bound to come, the strides which China will make in economic, industrial and commercial advances will astound the world in their immensity and accord the world greater markets for trade than any yet offered.

Conclusion

China is just emerging from a mediaeval civilization; its industries, agriculture and commerce are still predominately of the household, primitive and individual sort. Probably there are less than 100,000 persons in modern factories in China today, as compared with 8,000,000 in the United States. If China had a proportionate number in modern industrial plants, it would mean 30,000,000 instead of 100,000. In its public schools China has but 4,000,000, as compared to America's 20,000,000 enrolled. China should have 80,000,000 children enrolled in its schools, if it would be giving its children education in the same measure that obtains in the United States. China's backwardness in modern industry is evidenced by a lack of effective provision for the protection of patents and copyrights. In the United States 40,000 patents

are issued each year. Since the inception of the American Republic 1,500,000 patents have been issued.

The China of the past gave no encouragement to inventions and scientific research, for the intellect of the nation was cast in a mould by a fixed system of education based on the classics, eventually producing a state of mental stagnation throughout the whole country. The New China is receptive, looks to the future rather than to the past, and the world will witness some marvelous developments among a people possessing the potentialities, physically and mentally, of the best peoples of the earth, and desirous now of giving expression to these potentialities in a way which will open up to the world a field of teeming possibilities with room for all who would participate in these developments if they will but respect the principles of the open door and of equal opportunity both in letter and spirit.

Thinking Chinese realize the shortcomings of their people and their institutions. They appreciate what the West has done and can do for them in bringing their country into tune with modern civilization. Some are wisely advocating inviting an international commission to assist them in the solution of the bigger problems concerned with the needed reforms and developments, so as to hasten putting the country into order and launching upon the era of industrial and commercial prosperity, which is bound to come with a well-ordered China and through the help of foreign capital. **Has not the time now arrived when the great financial powers will unite in aiding the development of China on a scale commensurate with its needs and with a vision for the future?** If so, then certainly the future of China looms bright on the horizon of the new world, in which China may play a part helpful to both itself and its fellow members in the family of nations.

Note: Among reports by Mr. Arnold to the Secretary of Commerce, Bureau of Foreign and Domestic Commerce, recently published or in course of publication by the Department of Commerce are:

Chinese Products of Interest to America
Commerce Reports, Nov. 27 (mineral),
Dec. 12 (animal), Dec. 21, 1918, and
Jan. 13, 1919 (vegetable), Feb. 8, 1919,
(manufactured goods).

The Conduct of Business with China
Miscellaneous Series No. 70, Jan. 2, 1919.
Commercial Handbook of China
(Two volumes, in course of publication).

Mr. Arnold's residence in the United States is in California, where he was born in 1876. He is a graduate of the University of California (B. S., 1902), where he began his studies of China and the Chinese language. He went to China as a Student Interpreter at the Legation in Peking in 1902, and has advanced in the Consular Service with posts at Dairen, Shanghai, Foochow, Tamsui (Formosa), Amoy, Chefoo and Hankow (Consul-General, 1914-5). He has been Commercial Attaché since 1915. He was decorated by the Chinese Government in 1907 with the Order of the Double Dragon. He was Chairman of the American Delegation to the China Tariff Revision Commission, 1917-8.

CHINA COMMERCE CLUB OF CALIFORNIA

MERCHANTS EXCHANGE BUILDING SAN FRANCISCO

BOARD OF GOVERNORS

ROBERT DOLLAR, **President**; CHARLES H. BENTLEY, LOUIS GETZ, ANDREW CARRIGAN, A. T. DEFOREST, J. H. ROSSETER, E. W. WILSON, **Vice-Presidents**; SEWARD B. McNEAR, **Treasurer**; FRANK E. HINCKLEY, **Secretary**; and E. A. BERNHARD, L. R. COFER, MARSHALL DILL, I. O. UPHAM and W. D. WHITTEMORE.

COMMITTEES

Membership: E. A. BERNHARD, **Chairman**, A. H. COWEN, P. C. DENROCHE, D. S. EVANS, D. B. FULLER, E. L. WHITNEY, W. A. YOUNG, Jr.

Quarters: E. W. Wilson, **Chairman**, A. R. EDWARDS, W. A. HUGHES, M. S. KOHLBERG, ATHERTON MACONDRAY.

Visitors: J. H. ROSSETER, **Chairman**, ANDREW CARRIGAN, STANLEY DOLLAR, T. A. HAYS, I. O. UPHAM, W. D. WHITTEMORE, HUBERT E. WRIGHT.

Finance: L. R. COFER, **Chairman**, MELVILLE G. FRANKLIN, W. H. FRENCH.

Publications: MARSHALL DILL, **Chairman**, J. O. ELLIS, M. Q. FONG.

MEMBERS

Honorary

WILLIAM C. REDFIELD, Secretary of Commerce, Washington.	WILLIS H. BOOTH, Commission of Merchants, China, 1910.
PAUL S. REINSCH, American Minister, Peking.	ROBERT DOLLAR, Commission of Merchants, China, 1910.
THOMAS SAMMONS, American Consul-General, Shanghai.	JOHN FRYER, Professor of Chinese, University of California.
JULEAN ARNOLD, Commercial Attaché, American Legation, Peking.	

Founder

- | | |
|--|--|
| *AMERICAN TRADING CO. (Pacific Coast) (Louis A. Ward, C. R. Morse). | *PACIFIC MAIL STEAMSHIP CO. (Daulton Mann, W. A. Young, Jr.). |
| *ANGLO & LONDON PARIS NATIONAL BANK (E. W. Wilson, Harry Coe). | *PACIFIC ORIENT CO. (A. H. Cowen, J. A. Heineberg). |
| *BAKER HAMILTON & PACIFIC CO. (W. T. Smith). | *SPERRY FLOUR CO. (Steward B. McNear, E. A. Parker). |
| BALFOUR, GUTHRIE & CO. (S. H. Boardman, I. A. Armstrong). | *THE ROBERT DOLLAR CO. (Robert Dollar, Stanley Dollar). |
| *CALIFORNIA BARREL CO. (Henry A. Koster, Hubert E. Wright). | *THE PARAFFINE COMPANIES, INC. (D. S. Evans, R. S. Shainwald). |
| *CALIFORNIA PACKING CORPORATION (Charles H. Bentley, Philip Grosse). | *UNION OIL CO. OF CALIFORNIA (T. A. Hays, J. T. Armitage). |
| CHINA MAIL STEAMSHIP CO. (Look Tin Eli, M. Q. Fong). | *UNITED STATES STEEL PRODUCTS CO. (A. T. DeForest, H. J. Bennett). |
| *DUNHAM, CARRIGAN & HAYDEN CO. (Andrew Carrigan, J. G. Langdon). | *UNITED STATES STEEL PRODUCTS CO. (2d membership) (T. W. Brooks, E. J. Schneider). |
| *GETZ BROS. & CO. (Louis Getz, Melville G. Franklin). | *WELLS FARGO NEVADA NATIONAL BANK (L. R. Cofer, Parker L. Jackson). |
| INTERNATIONAL BANKING CORPORATION (W. D. Whittemore, S. E. Albeck). | *W. R. GRACE & CO. (J. H. Rosseter, Gale H. Carter). |
| LLATA & CO., INC. (New York City). | |
| *PACIFIC COAST STEEL CO. (E. M. Wilson). | |

General

- | | |
|---|--|
| *E. A. BERNHARD (United States Steel Products Co.). | FRANK E. HINCKLEY (Attorney). |
| *ANDREW CARRIGAN (Dunham, Carrigan & Hayden Co.). | B. G. HOLT (B. G. Holt & Co.). |
| A. J. COOK (A. J. & J. R. Cook). | *E. S. HOUDLETTE (Pacific Coast Steel Co.). |
| P. C. DENROCHE (S. L. Jones & Co.). | W. K. HUGHES (Pacific Commercial Co.). |
| *MARSHALL DILL (Dill-Crosett, Inc.). | WILLIAM M. JENSON (A. C. Rulofson Co.). |
| J. P. DOWLING (Dodwell & Co., Ltd.). | *K. R. KINGSBURY (Standard Oil Co., California). |
| *A. R. EDWARDS (United States Steel Products Co.). | *M. S. KOHLBERG (Alfred Kohlberg, Silk Goods). |
| *WILLIAM J. EDWARDS (Norton, Lilly & Co.). | ATHERTON MACONDRAY (Macondray & Co.). |
| J. O. ELLIS (J. O. Ellis Forwarding Co.). | WALTON N. MOORE (Walton N. Moore Dry Goods Co.). |
| *MELVILLE G. FRANKLIN (Getz Bros. & Co.). | *H. T. POWELL (Standard Oil Co., California). |
| W. H. FRENCH (Noble Electric Steel Co.). | GEORGE BRONSON REA (Far Eastern Review). |
| D. B. FULLER (Thomas W. Simmons & Co.). | A. C. RULOFSON (Pittsburgh Steel Co.). |
| M. C. GIBSON (American National Bank). | *W. T. SMITH (Baker Hamilton & Pacific Co.). |
| ALFRED S. GUMP (S. & G. Gump Co.). | I. O. UPHAM (Isaac Upham Co.). |
| F. F. G. HARPER (F. F. G. Harper & Co.). | *E. L. WHITNEY (Pacific Coast Steel Co.). |

*Founder and General Members having representatives or being personally present at the Foreign Trade Convention, Chicago, April 24, 25, 26, 1919. This indication is only for those from San Francisco; several Members have representatives at the Convention from offices of their Companies located in other cities. The list is of April 17; others will also endeavor to attend.

Mr. E. G. Babbitt, District Manager at San Francisco for the United States Department of Commerce, and Mr. C. P. Converse, Foreign Trade Secretary of the San Francisco Chamber of Commerce, are also attending the Convention at Chicago.