

panies be managed properly but all officers responsible for their management, should lead an exemplary life of prudence, indulging in no gambling pursuits or lending their influence thereto. We are, therefore, happy to observe that an exception has been taken to our editorial comment by several companies that have guarded their reputation most jealously. Our only hope now is that they will exert their best efforts toward the establishment of an insurance board in the near future. Unless this is done, opportunities will not be wanting for rumours to develop, and we shall not hesitate to give publicity to such rumours, all protests notwithstanding.

### The Poor Chinese

RECENTLY we came across certain comments on the consumption of woollen goods in China by the Consumers' League of Canada, which should throw considerable light on the ignorance of businessmen abroad of affairs in China. The League took the occasion to remark that "China manufactures practically no woollen goods. The people are too poor to wear woollens. The imports are nearly all for the few Europeans who live in China. The imports given in these figures (4,732,700 square yards) would allow only three-quarters of an inch of woollens per 'Chink' per year." Evidently the League does not know that China has over 40 woollen and worsted goods factories entirely owned and managed by Chinese, and that her imports of principal woollen goods for 1927 amounted to H.K.

Tls. 9,892,322. For the enlightenment of the League we may be pardoned for adding that the Hailkwan tael, a term for an uncoined weight of silver adopted by the Chinese Maritime Customs, had an average sterling value of 2s 9 13/16 for 1927. It is true that considering the vast population of China the consumption per capita of woollen goods is small indeed, but this affords no criterion for the estimate of the purchasing power of the Chinese. The wealthy people wear more silk than the Canadians, but it would be silly for us to infer that the latter are too poor to wear silk if they so desire. As a matter of fact Chinese clerks, office boys, attendants in public amusement centers, not to mention educated Chinese, are beginning to wear foreign suits of imported woollen materials. The number of Chinese tailoring establishments for foreign style suits and catering to the Chinese is more than 100 in Shanghai alone. The situation has become so alarming that public organizations are advocating the use of Chinese silk piece goods for foreign style suits. Can it be said, then, that woollen goods are all for the few Europeans? It may not be impertinent to ask how the average European has amassed fortunes out of the Chinese if they are too poor to wear woollen goods. Our wealthy people live on rice and the coolies on wheat and flour. Canada produces immense quantities of wheat and flour but little rice. Shall we, in line with the reasoning of the League, conclude that the Canadians are all coolies?

## Significant Missions to Nanking

Less than three hundred miles up the mouth of the Yangtze River stands Nanking, the centrally located and spacious capital of China. Physically, the city has not much to boast of at the present time, having been devastated by the "Arrow War" and the Taiping Rebellion. But judging by the immense program of the municipality and the feverish attempts to reconstruct it along modern lines, our capital shall become one of the most beautiful cities of the world in the no distant future. Spiritually, the city is symbolic of the new era in China, throbbing with life from dawn till night, and showing signs of renewed energy along commercial, industrial and governmental lines.

Of all the significant things that have happened to Nanking since the inauguration of the National Government, the visits of the foreign missions—diplomatic, commercial and otherwise—stand out prominently. At the beginning, foreign governments were rather disinclined to accept the inevitable, and send their representatives to China's new capital. But the stability of the present regime, and the seriousness with which it carries out its program of reform have convinced the world that China has decided once for all to throw off the coat of lethargy which had shrouded her since the time of her earliest treaty relations. Ministers, Charge d'Affaires, Consul-Generals and representatives of foreign com-

mercial bodies have visited the city, and reported to their home governments on the new spirit which they find beneath every activity in the city of Nanking.

Separate notes had been delivered under date of July 30 by the Nanking Foreign Ministry to the French, Belgian, Italian, Danish and Spanish representatives in China requesting the latter to ask their home governments to appoint special delegates to negotiate new treaties with the National Government. In early August, Mr. Y. L. Tong, Vice-Minister for Foreign Affairs, had been appointed to negotiate in Nanking on September 3 with Portugal's representative regarding the conclusion of a new treaty between the two countries on a basis of full equality. On Aug. 8, His Excellency M. de Kauffman, the Danish Minister to China, arrived at Hsia-Kwan station, being the first foreign minister to make a formal call at Nanking since the unification of the country under Nationalist rule.

Von Borch, the German Minister was the next one to arrive, and within four days signed a new treaty with China, based upon the principle of reciprocity. Later, Dr. Wagner, Counsellor of the German Legation, has been permanently stationed at China's new capital.

Up to the present, the Netherlands, Norwegian, Portuguese, Italian and Czecho-Slovakian Ministers and the Belgian Charge d'Affaires have been among the visitors to the seat of China's government. Some very

successful negotiations between the Foreign Minister, Dr. C. T. Wang, and the foreign representatives have been or are about to be successfully concluded. Mr. Yada, Consul-General for Japan at Shanghai, has had several conferences with Dr. Wang; and the arrival of Arita and Nishida, head of the Asiatic Bureau and acting Consul-General at Tsinan of Japan respectively, has been held as of the utmost significance. The British and the American Ministers have both signified their intentions of visiting Nanking within a very short time, and the British Consul-General, Meyrick Hewlett, has been at the capital for some time already.

It appears that the purpose of the foreign missions to Nanking is twofold: first, to discuss outstanding relations between China and their countries respectively, and second to inspect the reconstruction work in South China after the revolution. Regarding the former, the questions of the settlement of the "Nanking Incident," the recognition of the new Chinese Government, the revision of the defunct treaties, the rendition of territory

legally belonging to China, and in the case of Japanese settlement of the Tsinan Affair, are of the greatest importance. Substantial results have been achieved in all these tasks, and congratulations are due to the foreign diplomats as well as the men at the helm of China's foreign Office.

The construction of wide and straight roads is an argument and a monument for the Nationalist cause. The erection of new buildings shows the foresight and prosperity of the new Nanking. It is indeed not amazing to find the foreign representatives being impressed by the steady progress in constructive works of the National Government.

The visit of our foreign friends has another significance, more dear to the hearts of every well-wisher for China and for world peace than anything else, and this is the unmistakable indication of the friendly feelings of Powers towards China and of their greater confidence in the good faith of the National Government.

## Mr. Arita Arrives

After the United States, Great Britain, France and Italy settled the Nanking Incident, with the National Government of China, after the United States and Germany signed with China equal and reciprocal treaties, and after practically all the other important Powers have taken steps to negotiate new commercial treaties with China, the Japanese Government saw fit to send Mr. S. Yada, its Consul-General at Shanghai, to open preliminary discussions on all the outstanding questions now existing between the two countries. In less than a week followed Mr. H. Arita, chief of the Asiatic Bureau of Tokio, ostensibly for a study of the reconstructive activities of the National Government, but really for the purpose of clarifying certain points with reference to the negotiations conducted by Mr. Yada and which had just been suspended.

At this juncture when, for the first time in years, the Japanese Government made this overture to the Chinese Government, we should entertain no doubt of its sincerity. The burden of proof, however, still rests with Japan. It is very obvious that China gains nothing by leaving her wounds undressed and, as a corollary, that she desires to have them healed at the earliest possible moment. Therefore, should the preliminary negotiations lead to no satisfactory result in the end, it would be logical to assume that Baron Tanaka's "positive" China policy has undergone no real change.

Up to the time when Mr. Yada went to Nanking, Japan had insisted upon the withdrawal by the National Government of its declaration that Japan's Commercial Treaty with China had expired. What stand Mr. Yada took at Nanking, we cannot say except by way of conjecture. The joint statement by Dr. Wang and Mr. Yada was quite optimistic, indicating as it did that some understanding might have been reached.

Nevertheless, this joint statement could hardly be reconciled with the mentality of Baron Tanaka, and if we follow Tokio reports the Wang-Yada Conference was not so successful as anticipated at first. The sudden overture on Japan's part followed by an equally sudden suspension of negotiations might have been calculated to white-wash any subsequent unfavorable action which Baron Tanaka might take. Be that as it may, we must emphasize the point that if Japan continues its old attitude on the Sino-Japanese Commercial Treaty, no progress can be made toward the solution of this question.

It has been persistently reported that Baron Tanaka's recent action is nothing more than a gesture for appeasing public opinion both at home and abroad for the sole purpose of consolidating his position and continuing the life of his cabinet till and after the coronation. We do not wish to give undue credit to these reports, but, subsequent events will prove or disprove their truth. For the present, we like very much to believe that Japan this time is entirely sincere in desiring to end the outstanding questions between our two countries.

The Tsinan Question is another bone of contention. Since the time when Japan first took over Tsingtao and the Kiaochow-Tsinan Railway from the Germans at the expense of China, people there have always questioned that Japan's intentions in Shantung are entirely disinterested. It was believed in China and abroad, rightly or wrongly, that Japan's forced retreat from Shantung after the Washington Conference was not the end of the "Shantung Question." The world expected to see more, and more it saw. Seizing the second advance of the Nationalist Army into Shantung as a God-sent opportunity, Japan, despite repeated protests