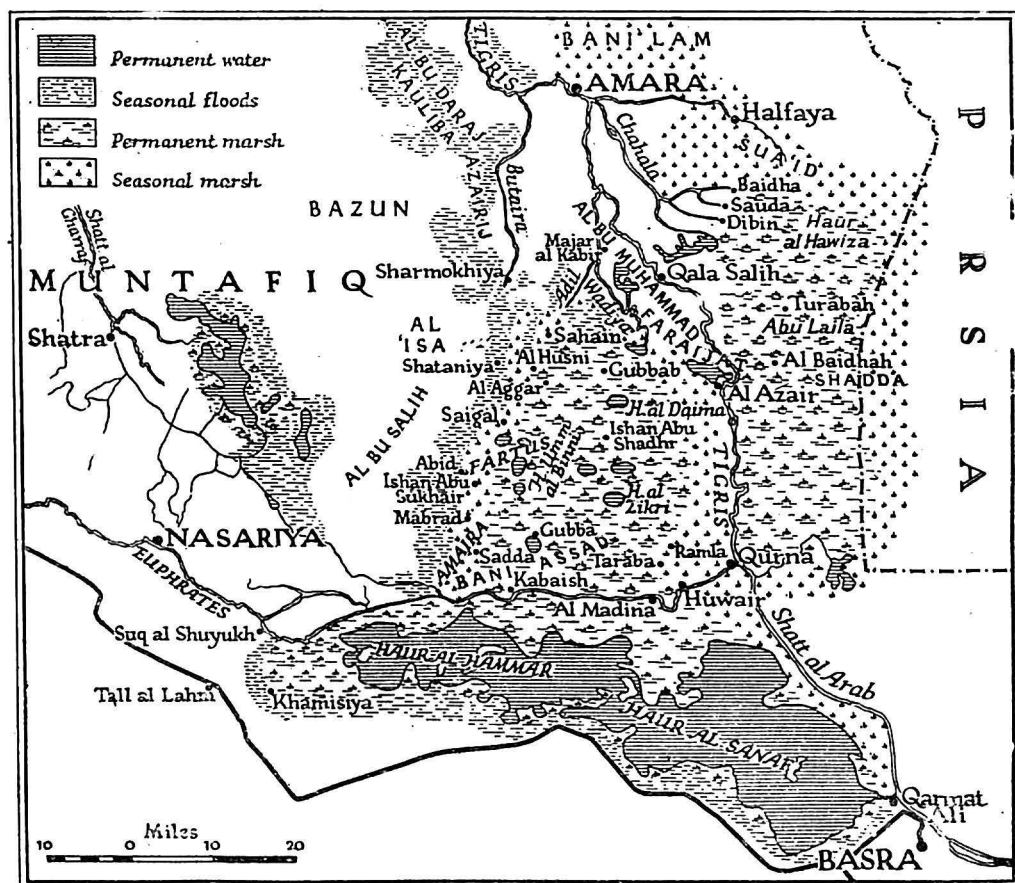
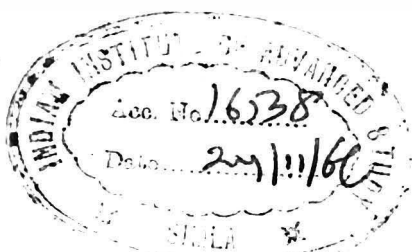


(*kausa*) probably occur as far up the Tigris as 'Amara and are both plentiful and dangerous in the river at Al Azair. I have not heard of them in the marshes.

I have tried to describe the Ma'dan and their environment, but there is much on which I have not touched, either from lack of space or from lack of knowledge. In a few years' time these marshes will be drained, and a culture and way of life which have endured for centuries will disappear. Like many others, I regret the forces which are inexorably suburbanizing the untamed places of the world and turning tribesmen into corner-boys.





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RECENT DEVELOPMENTS OF BRITISH COMMERCIAL RELATIONS WITH CHINA

By H. J. COLLAR, C.B.E.
(of the China Association)

Luncheon lecture given on September 30, 1953, Mr. Edward J. Nathan, O.B.E., in the chair.

The CHAIRMAN: In the unavoidable absence of the chairman of Council, I have been asked to take the chair at this meeting and introduce to you our lecturer today. It gives me very great pleasure to do so. I have known Mr. Collar for some twenty years and he tells me that he has been in China for thirty years. He was connected throughout that time with the Imperial Chemical Industries Limited, and he is therefore, I think, probably in a unique position to speak to us on this subject of recent developments in British trade with China.

This subject may sound somewhat off the track of the lectures and subjects which this Society presents, but I think if you will reflect for a moment you will realize that our commercial policy in China nowadays is so closely bound up with politics and political issues that it is in every way a fit subject for us to have expounded to us. I am quite sure that Mr. Collar will do so in a very constructive and informative manner and I have pleasure in introducing him.

I FIND it rather hard to know where to begin a talk of this kind. The old adage says, "Begin at the beginning," but in trying to understand the present it is often necessary to go back some way into past history, which means beginning at some far-off rather indefinite period. So I am going to start at what I shall optimistically call the middle—the present. I say "optimistically" because we have had a past and I think that we shall have a future.

I think there is no question about the fact that today we are at a turning-point in our relations with China, both politically and economically. As Mr. Nathan has said, one cannot separate those two factors. I shall touch on the present, then go a little way back into the past and, if time permits, try to see what the future may hold for us.

The position of British commercial interests in China today is thoroughly unhappy. We are not today the masters of our own destiny. We are to a very large extent at the mercy of Chinese officialdom. Of all our particular problems, one of the largest is the fact that most of us have far more staff on our pay-rolls today than we can possibly afford to keep. Virtually, we are not allowed to discharge them, and many unfortunate employers have found that not only do they have to pay their normal staff, but added to their pay-rolls are many who in the past have been only casual employees.

The reason why we have that large surplus of staff is interesting, and it arises from the difference in the methods by which we can trade today. In the past, if we were importers, not only did we bring in the goods; we sold them, distributed them, perhaps to thousands of customers, and we



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had technicians to advise our customers on modern methods, as well as accountants and salesmen. If exporters, we had to collect the goods, sort them, grade them, prepare them for shipment, and get them away.

The most we can do in China today is to act as brokers—I am speaking of the merchant class—and for that we need only a small staff. Therefore, we have many more staff than we can afford to keep, but we are not allowed to discharge them without permission of the Government, and that is not given unless at the same time we virtually close down.

We have also problems regarding European staff, particularly those concerning their entering and leaving the country. If one wishes to get someone out, one probably needs to replace him, and it is necessary to apply for an entry permit for the replacement. The reply may be received in nine months or six months, or there may be no reply. Meanwhile the man in the country who is waiting to be replaced is having rather more of it than he likes. That is quite a serious matter, and not the smallest difficulty it raises is that under those conditions it is not easy to get people who are willing to go in.

Living conditions in the country are quite tolerable. There is very little interference indeed with personal liberty, except in so far as movement is concerned. One cannot move outside the town in which one lives. But even these living conditions can be quite intolerable if one is in the position of the unfortunate man in one port who is the only business man left there. He has not been granted an exit permit, although his business has been closed down for two years and no reason has been given.

Then there is the doctrine of personal responsibility. This is not new in China, but perhaps the occasion has not arisen in the past of a large number of businesses wanting to close down. Under this, the senior staff are held responsible for every act of their company, present and past, and the matters of particular concern are those of the past, because, as so frequently can happen, old claims may be raked up if individuals or the authorities wish to make any difficulty.

The fact that profits cannot be remitted is not a very serious problem. In the first place, very few people have profits to remit, and it is so common a feature of the exchange control regulations of many parts of the world.

Further, we have our European staffs there, perhaps fewer in numbers than before, and we have the whole of our Chinese staff, but we do find it extremely difficult to get ordinary merchant business in order to try to make a bit of money in the country with which to meet expenses, and here I am referring particularly to merchants as opposed to those in industry.

This situation derives very largely from the creation of the new Chinese trading organizations. Peking has tried to operate the whole of the commerce and economic life of the country through official organs. But they have not been able to do so; they realized quite quickly that there is much they cannot do, so there is still room in the country for private enterprise of a fairly limited nature. All the bulk business, however, in both exports and imports is handled by large Government monopolies. Not only do they handle the imports in bulk but also do the whole of the distribution.

They have adopted, too, a very definite policy of trying to buy direct from the producer and of selling direct to the consumer. The reason is

understandable : they want to eliminate the middle-man where they feel he does not serve a useful purpose.

In trying to carry out that policy I think they are going a lot further than is wise or necessary, but our people in China are very rarely able to obtain business from Government organizations. Whereas in the past we had many thousands of customers, today we have virtually one—the Government, with perhaps a handful of private customers who are under fairly close Governmental supervision, even if they are not actually controlled.

The position of industry is rather different—that is, industry under foreign management or control. Practically the whole of that industry is providing consumer goods which are of first importance to China today, so it is compelled to keep in full operation, and although for a time it was not able to do so profitably, it is in general able to do so today. I think some of the industries are making quite handsome profits in the country, although none has any expectation of being able to keep those profits for long. The profits will almost certainly be swallowed up by some sort of taxation or perhaps some special contribution to Government bonds.

As regards the movement of foreign staff, technicians are of first importance to China and to withdraw a technician is very nearly impossible.

As a result of these conditions a good many of the British and other companies in China have tried to close. They have applied for permission to do so, and a number of notes have been put in by our *chargé d'affaires* in Peking asking for the assistance of the authorities in this. Where replies have been received they have been quite formal and straightforward and have simply said, "All you have to do is to comply with the routine and you will have no further difficulties." In fact, all those concerned have done their best to comply with the routine, but it is quite clear that until a directive is received from Peking by the local authorities to give assistance in completing that routine one has no hope whatever of doing so and thereby qualifying for final closure.

There has been a certain amount of progress towards closure and small merchant firms in general have been able to get away, but, as far as the larger enterprises are concerned, closure has been possible only under two main headings.

The first group—and these we consider to be the fortunate ones—are those whose properties or enterprises have been requisitioned, such as the oil companies and the public utility companies. Those in this group retain technically the title to their properties and if there should ever be a day of reckoning they will have something to claim.

The other group consists of those companies which have been willing to hand over the whole of their assets in China against their outstanding liabilities. I think it is fair to say, without going into particulars, that in probably every case the true actuarial value of those assets has been enormously in excess of the real liabilities, but in all cases the liabilities have been so manipulated as to exceed the assets, so the companies have been only too glad to hand over on that basis if they could. The people in that group, I fear, have lost any hope of making a claim if it should ever be possible to do so later on.

There have also been some signs of progress in the small offices in the outports. Many of the larger organizations in China had offices throughout the country, nearly all with head offices in Shanghai, and it has appeared lately as though there is a chance (one cannot put it higher than that) of it being possible to close down these outport offices, but so far as Shanghai is concerned we appear to be up against a complete brick wall.

With all this, I should make it clear that although there are these conditions, which we claim are intolerable, there is no real discrimination. We are being treated in the same way, broadly speaking, as the Chinese. Indeed, if anything, we have in some cases received rather better treatment. But the difference lies in the fact that the Chinese merchant who is in the same situation is in his own country—he has to live there, he has no alternative and, therefore, at least he has some reason for trying to make the best of it. Also, a Chinese merchant does not have the European staff problem, which for us is very serious.

We do not see why we should have to go on under these conditions and therefore we are applying to withdraw, but I do wish to emphasize the point that there is no real discrimination between the foreign merchant or trader and the Chinese.

Coming back now to the fairly recent past, our position today presents an incredible contrast with that of Western enterprise in China in the early part of the century, up to the middle 'twenties. We had then extra-territoriality, which meant we were not subject to the laws of China. We were able to operate from the Treaty ports, in a number of which there were Concessions. The Concessions provided a haven of refuge for business, both Western and Chinese, and a very large proportion of the trade of the country gravitated to them and was finally channelled by the Chinese through the foreign merchant, in respect both of imports and exports.

We did, therefore, come to have a very large measure of influence over the internal as well as the external trade of the country. The majority of industries were set up as a result of Western enterprise, probably with Western capital, and many were under Western direction. In the field of communications, many railways were built and many more financed by the West. As for water-borne traffic, the whole of the ocean shipping was in foreign hands, and a very large proportion of the coastwise and river-borne traffic.

The same is true, broadly speaking, of the ancillary services, such as banking and insurance. The whole of the overseas business was in the hands of Western banks and insurance companies, and very much of the domestic trade. We had an enormous influence over the economic life of China and our position was not confined purely to the economic side. Even on the administrative side, we had an unprecedented amount of power over the fortunes of a friendly country. I am referring particularly to the Customs, Posts and Telegraphs, which between them produced the majority of the revenues of the country. They were under foreign control and all the senior positions were staffed by foreigners.

That was not a position towards which we had worked. It arrived to some extent by accident. These organizations were originally set up and

staffed by Europeans at the request of the Chinese Government, whose servants they were. They did not touch the revenues whose collection they arranged. The revenues all went to Peking. But during the course of the internal struggles after the revolution in 1911 it became extremely hard to know which was the Government of the country. Accordingly, it became the custom for the Inspector-General to retain the revenues, to use them for the service of foreign bonds and other obligations, and to remit the balance to what he considered was for the time being the Government of the country.

That caused a lot of resentment, for the revolution started in the South and there was for a period a complete cleavage between the North and South, yet all Customs and other revenues from the South were sent to Peking.

The position which Western enterprise attained in China no doubt brought very great material benefit to the country, but one says that with a little hesitation. Those benefits were material because of the disturbed state of the country, and one has the uneasy feeling that had we not taken this exceptional part in the affairs of China there might not have been quite so much internal disruption to benefit from our activities. Be that as it may, it was of great benefit to the country as it was at that time, torn by internal dissension, but it did naturally provoke a great deal of resentment.

It is always difficult to say, even at the time, to what extent such resentment is real, or to what extent it is artificially stimulated for political or other purposes.

It was rather interesting, if I may turn aside for a moment, to listen to a talk on the radio last night on Morocco, where the French occupy somewhat the same position as we did in China. The narrator was talking of the conditions in the capital, of the wonderful buildings, the roads, industry, and the improvement in the standard of living; but in referring to the recent disturbances there he said there are a few intelligentsia in the country who are against the French, but the average man in the country wants merely to be able to live and work in peace and does not mind who governs him.

That is precisely what we used to say of China, and I think that just as we were wrong then, so the attitude expressed last night is probably equally wrong. The resentment is there, but because such a large proportion of the population is illiterate, or unable to express itself, we do not appreciate its feeling.

There must have been elements of that feeling right throughout China in the past, because it did not appear difficult to arouse anti-foreign feeling when it was wanted, and there is no doubt that this anti-foreign feeling and the abolition of what is called the "unequal Treaties" was an essential part of the political platform of any party in China which wished to obtain power.

It was utilized to the full by the Kuomintang, both in 1911 and afterwards, when it acquired full power and sovereignty over the country. Sentiment in the country was all the time changing and this led to a progressive loss or abandonment of privileges as the régime became more firmly established. This movement reached its culmination during the

war, when there was voluntary surrender of rights and concessions to Chiang Kai-shek in order to raise the morale of the Chinese at the time when there was a real fear that there might be some compromise with Japan.

No doubt this was done in good faith and in the hope that, after the war, Western enterprise in China would at least be on a basis of equality with the Chinese and there would be an equal opportunity for trade. But that did not in fact prove to be the case. There was a great deal of discrimination against the foreign trader after the war.

It was particularly evident when after the extravagances of the first year of free trading it became necessary to impose strict controls over imports, exports and exchange. This provided an ideal opportunity for manipulation, and British and Western merchants in general were very badly treated. At the same time the Kuomintang set up monopolies, particularly for the handling of exports, and semi-official companies for the handling and distribution of imports, which received preferential treatment throughout.

Conditions in general went from bad to worse, especially with the very serious currency inflation, so that by the time the Communists started to take over the country the situation of the Western merchant in China was already at a fairly low ebb. I think a good many of us who were there, because we did not like Communism as such, found it difficult to believe that these people really were Communists, and certainly thought that things could not be much worse under the Communists than they had been in recent times under the Kuomintang.

But for us even those poor hopes were not fulfilled, and conditions finally reached the state that I have described at the beginning of my talk. I think all one can say is that the Communists have simply completed an inevitable historical process. They have speeded things up, the change has taken place faster, and they have done it in a manner which has not been pleasant; but I do not think we can blame our position today solely on the Communists. It is rather the completion of an historical process which has perhaps also gone further than it would otherwise have done.

We now come to what is perhaps the most interesting point, and that is that they have not finished the process. We have been more or less in a state of stagnation in the past year. In all other Iron Curtain countries the authorities have not been able to chase the Western companies out fast enough, but in China we are still there. We want to get out and they will not let us go. It is quite the opposite to what has happened elsewhere, and it is interesting to speculate on the reasons.

There is no doubt a very great need on the part of China for Western trade. We must assume definitely that the people in Peking, for personal reasons or otherwise, want to build a strong and independent China. Their first step in that process was the land reform, which had two main objects. The first was to obtain the support of the peasants on whom the Revolution has been based, and the second, to provide a means of eliminating the landlords, who would have proved the focal point of any genuine counter-revolutionary action. Another motive was to try to increase production.

As regards increased production, they hoped that this would be achieved in part by having the peasant working for himself instead of for his land-

lord. There is initially a retrograde effect in the breaking-up, the fragmentation, of the large landlord holdings into small ones, but the authorities have in mind ultimate collectivization, which is apt to lead to unemployment for the farmer. But the farmer is going to grow more only if he can buy more, and that leads to an increased demand for consumer goods. Therefore, on the grounds of the need for an increased supply of consumer goods and of the unemployment which is almost certain to result from collectivization, China will have a very urgent need for industrialization, particularly for the production of consumer goods. Most of the emphasis from Peking has been on building up heavy industry, but I have already seen signs of weakening, and they are beginning to realize that consumer goods come first, or at least have an equal importance with the building up of heavy industry. So both these factors postulate the need for industrialization.

China has turned first to the Iron Curtain countries for her needs, and it is fairly clear that she has not been able to get the things she requires. Our embargo has hit them, not so much perhaps because they cannot get the goods they require—they may not have suffered much in that direction—but they have undoubtedly had to pay heavily for what they have had to buy from the Iron Curtain countries.

There is specific evidence of this in so far as Eastern European countries have been reselling China's produce at prices far below those at which China is willing to sell on the open market. That can be done only if large profits have been made on what has been sold to China. It has not taken China long to learn how unsatisfactory this is.

We know that certain Eastern European countries have not kept their side of the bargain and have held up programmes of delivery. Quite apart from that, the Iron Curtain countries, and Russia in particular, are concerned with industrialization also, so it is quite understandable if they cannot spare the goods required by China, whose needs will be practically insatiable.

I think that on these counts I have shown the Chinese need for industrialization and the probability that she cannot obtain what she wants from the Soviet *bloc*, so that it is essential for her to turn to the West. We have seen her apparent attempts to do this through the Moscow Economic Conference and various subsequent trade discussions. This situation is of interest for the light that it may throw on Chinese policy for the next few years. It is clear from all that we have seen and learned that the embargo has hit China very much. The Minister of Finance said quite specifically in regard to the Moscow Conference last year that one purpose was to break the embargo, although they have stated since that it does no harm at all.

China does realize that for so long as she is engaged in actual aggression she will be hit by embargoes, perhaps even stronger ones if she does the same thing again, and that, I think, does offer real grounds for the belief that China will not engage further in active aggression, such as in Indo-China.

It is possible that what I have said hitherto may have given you the impression that we have been doing no trade with China. That is not correct. We have not been trading *in* China, but trade *with* China has

continued at a fair volume, and in fact the volume is higher than we would have anticipated.

We have lost by not being able to send certain "embargoed" goods, but the goods which may be shipped have been greater in quantity than might have been anticipated.

There has, however, been a great change in pattern, particularly in that whereas in the past we undertook both importation and distribution, all that we can do today is to make the bulk sales. In China's efforts to eliminate the middleman she has apparently been trying to short-circuit Hongkong.

She has also set up an office in East Berlin, which has operated with a certain measure of success, and has organized various trade conferences, all with the intention of cutting out the middleman. But whereas she has to some extent succeeded, she has, I think, run up against many difficulties, since it is the middleman who knows the business and who has an intimate knowledge of China's requirements. She has enlisted the aid of people who do not know the country, and it is clear there have been many difficulties. This is particularly evident in regard to the handling of Chinese exports, which needs a lifetime of experience, both in the selection of goods and knowing the proper channels of distribution. In that connection I think China is going to have to go back to the established channels of trade.

In the same way, I think China will have to give up the attempt to cut out Hongkong. Hongkong occupies a quite extraordinary position. We have in Hongkong today banks, insurance companies, merchants and manufacturers, representatives of almost every trading nation in the world. One could go into Hongkong and do millions of pounds' worth of business on an extremely competitive basis—and that is the important thing, a competitive basis—within a matter of a few hours. Nearly all nationalities are represented there and they will compete energetically to get trade. That is the strength of Hongkong in relation to China trade today, and it will, I think, be recognized by the Chinese. When it comes to trade, the Chinese will not be unduly influenced by political considerations.

That is also, I think, the strength of the British merchant—his knowledge of the people and of how trade should be conducted.

Time is getting rather short, but I should like just to deal briefly with the future. I have said that China has great need of the West. As merchants, and in so far as we are anxious to fill the stomachs of our own workers here, we are anxious for Chinese trade, but we must consider carefully where we are going. Do we want to meet all China's needs for her programme of industrialization? What are we going to build if we do? A Frankenstein monster, another enormous adjunct to Soviet power in the Far East? Or is there a chance we may be able to build a powerful but friendly nation? It is an extremely important question and one we must try to answer. One cannot, however, give an answer one feels happy about.

There are perhaps two main questions involved. First, what are the relations between China and Russia? What are they now and what will they be?

The second question is as to whether the present rulers in Peking are

Chinese first and Communists afterwards, or *vice versa*. Perhaps the Russian angle is the one on which we have the most evidence on which to base an opinion.

Russia has always been expansionist. She pushes forward when she thinks the time is opportune. If she is pushed back, she tries again, and she never gives up trying. This tendency has been seen in the Baltic, the Eastern Mediterranean, and the Pacific. It has been particularly evident during the last century in Manchuria. Past tendencies therefore give grounds for the possibility of future conflict between the two.

What help has Russia given to the Chinese Revolution? Very little. Russia did help the Revolution initially. She was invited by Sun Yat-sen to help organize the Kuomintang in 1923, which she did with considerable success, and helped greatly in the initial stages of the northward advance. The Kuomintang forces got as far as the Yang-tse and brought about the rendition of the Hankow Concession. It was at that time that Chiang Kai-shek decided to break with the left-wing extremists and to throw in his lot with the bankers and the industrialists of Shanghai. He drove the Communist party underground and from then onwards he continued to harry them. During the whole of that time there is no evidence that the Communists received any support or help from Russia. In fact, I think Stalin stated quite definitely they were not worth supporting, since they were basing their revolution on the peasants instead of on a rising of industrial workers, who were, of course, very small in numbers in China.

During the war Russia gave quite substantial help to the Chinese armies. Much of it had to go past the Communist-held area, but Russia made no attempt to make sure that any of those supplies were diverted to them. I think we can say with reasonable accuracy that Russia gave neither help nor recognition to the present powers in Peking until they had completed their occupation of the country.

Mao went to Moscow and he was practically lost for six weeks. All sorts of stories were going round about his being liquidated or held prisoner, but he did finally emerge after what must have been a very stiff argument, and, to my mind, victorious. His major achievement was in reducing the old agreement made by Chiang Kai-shek, providing for Russia's occupation and control of the Liautung Peninsula and the South Manchurian railway, from twenty years to two, thereby again pushing back Russian expansion towards the Pacific. That was a very real achievement. There was in addition a disappointingly small economic agreement.

That was the position up to the time of the intervention in Korea, when China established herself, I think, as a junior partner in the Communist world with Russia. But the happenings of Korea have undoubtedly forced China to move much closer to Moscow. She has been the only country on which China could rely under these conditions of near-war.

There are still signs of mistrust of Russia on the part of China.

One rather interesting thing, I think, was the inauguration last year of what Peking calls the pro-Asian movement, which in the opinion of some is designed to create a strong Asian *bloc*, including India, which can hold the balance between Moscow and the West.

I think all one can say is that in Sino-Russian relations there are today more points of agreement than of disagreement. It pays them to work together, but those points of potential disagreement do remain, and since they are rather major ones, and conditions may change, they point to the possibility that China will drift away.

The question as to whether the rulers in Peking are more Chinese than Communist is a very difficult one. I cannot try to give an answer to it. All one can say is what the outward appearances have been and are.

I think that when the Communists took over in China they did appear to be working primarily for the benefit of the people. They had their ideas, good or bad, and they appeared to be willing to change those that did not look like working.

There was practically no bloodshed—I am not speaking of the actual warfare but of the imposition of measures of administration. Land reform was put through virtually without bloodshed, and there did appear to be grounds for hoping that it would be a very Chinese form of Communism and one we could live with, but I feel the position has changed very much as a result of the Korean war.

It caused the Communists to speed up their plans. Much more severe methods were used, and this has led undoubtedly to much bloodshed and misery in the country. I think that this arose from a real and genuine fear on their part of the attitude of the West as typified in their minds by the United States, and from fear of Japan, which is being built up by the United States.

So long as conditions remain in this state of tension there are no signs that the Communists are likely to slacken in their programme of trying to turn China into a real Communist State.

The CHAIRMAN: The subject-matter of this lecture is now open to discussion. I would ask members to be brief in making the remarks they have to offer, because time is limited.

Group-Captain SMALLWOOD: First of all, I should like to say what a tremendous pleasure it has been to listen to somebody who is really a master of his subject. To us who left China quite a long time ago it is most refreshing to be brought really up to date, though indeed it might be said that the lecturer's story is a gloomy one.

There is one point I have to make. The lecturer mentioned the probability of collectivization of farms. I cast my mind back to the days when in Mongolia the farms were collectivized. Russia found it impossible to do this with the independent Mongol, and she may have the same difficulty among the Chinese agriculturists. It is, therefore, possible that this collectivization may not succeed.

One sees today signs that it has not been a success in Russia, and I should like the lecturer to say whether he thinks the character of the Chinese agriculturist will permit this collectivization.

Mr. COLLAR: The one thing every Chinese has always wanted to have is a piece of land, and a lot of them have been given a piece for the first time in their lives. There are already quite a number of reports—though one never knows how true they are—saying that where collectivization is

being tried out the difficulty referred to is being met with—the reluctance of the peasants to give up land once they have got it.

Lord CORK : The lecturer spoke a good deal about the discharge of all these employees for whom there is no work, or, rather, the inability to be able to discharge them. Is the position of the firms that they can discharge all British overseers, technicians and such people and yet still have on their hands all their Chinese employees for whom there is no work to do?

Mr. COLLAR : That is the position. They have in many cases no work for their Chinese staff, and all, except those who have died or retired of their own accord, are still on the pay-roll. Also the rates of pay are invariably higher than those of local standards.

Lord CORK : When a firm has gone broke, what happens?

Mr. COLLAR : No firms have allowed that to happen so far. They have been sending money in. If bills are unpaid there is a great chance of the employment of the doctrine of personal responsibility for the manager, and he will find himself in prison, or, what is even worse, in the hands of his own employees.

Miss KELLY : It is really a form of blackmail?

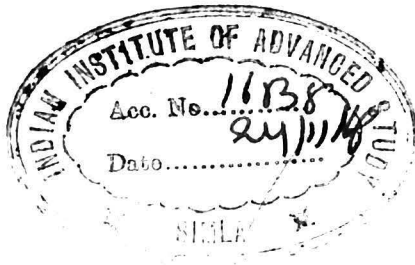
Mr. COLLAR : The short answer is Yes, but I would repeat that the Chinese companies are in the same position.

The CHAIRMAN : If nobody else wishes to contribute to the discussion, it is my great pleasure and duty to thank the lecturer on your behalf. I am sorry that not more people have contributed to the discussion, because the subject is a very absorbing one and it has been put before you this afternoon with quite exceptional clarity.

A point that seems to me to arise is one that was touched on by the lecturer—namely, whether it is in our interests to build up China by trading with her. That is only part of the much bigger question, it seems to me, and a fundamental question in the world today—the question of building up trade everywhere in whatever country trade is required. It is only if all the countries in the world are, both as producers and consumers, working to full capacity that enough goods can be manufactured to meet the needs of the world and enough can be produced to feed and clothe the people and enable the world to develop. Therefore I feel that whatever the political implications are it is the duty of every country to assist in trading and industrialization and in improving the standard of living of the people.

The lecturer has had unique opportunities of discovering what the position is in China, and if you have listened to him as attentively as I have, I think you will not go away with quite such a pessimistic view as you perhaps had when you came. Those of us who have been to China are not pessimists. We could not be pessimists, we would not have spent our lives in China if we were. China is a country of optimists and realists, and to my mind it is the optimists and realists who are going to make the world of the future.

I have very much pleasure on your behalf in asking you to accord a very hearty vote of thanks to Mr. Collar for his most able and interesting lecture.



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