

WHO'S WHO IN CHINA

By J. T. WALTON NEWBOLD

WHILST all eyes in the West are directed towards Genoa, anxiously watching the turn of events, there are happening in China a series of manoeuvres, some political and some economic, which threaten to embroil that country in civil war.

But a few months ago and there was sitting at Washington another of these world assemblies, wherein the States there represented were endeavouring (under the pretence of settling outstanding difficulties and ensuring at least a decade of peace), to over-reach each other in the scramble for fields of exploitation. That Conference had to do primarily with the question of naval disarmament and the problem of the Far East, of China and of the Pacific.

Great were the expectations which it excited, considerable were the hopes with which it concluded. It presented an opportunity for the Government of the United States, with characteristic unctious and under the guise of promoting international reconciliation, to present to Britain and Japan what was in reality an ultimatum. There, and in that setting, was naval abdication forced upon a Power, traditionally the Mistress of the Seas, but now, actually, the bond-servant of the usurers of Wall Street. There was concluded an amiable but almost meaningless pact governing questions affecting the Pacific, questions which are unlikely to arise except as sequential to questions concerning China.

There was much talk about China, its status as a Power and its future relations with the great capitalist nations. The hold upon its resources and its rulers obtained by Japan was in some measure relaxed, but the whole position was left in an altogether indefinite and unsatisfactory condition.

What Wall Street is After

The United States is not, officially, represented at Genoa. This greatest of the capitalist States is holding aloof, unwilling to entangle itself in the difficulties of a Continent with its capitalist future too obviously in the past. The United States is more concerned with a Continent just entering upon the phase of capitalist development, with proportionately inconsiderable burdens of indebtedness weighing down its governments and draining the productive energies of its peoples, with its social system not yet riven and blasted by the antagonisms of nationalist factions and economic classes. The United States intends to be in a position to avail itself of whatever opportunities the course of affairs in China may take. The United States intends to permit the jealousies of the European States still further to aggravate their economic deterioration and to prevent them reinforcing their commercial activity by political support in the markets of the East.

Thus, whilst Britain, France, and Germany wrangle and intrigue, negotiate and threaten each other at Paris and at Genoa—squabbling over the fate of Turkey or the future of Russia—whilst they deliberate concerning the salvage of Europe, the stabilisation of the exchanges and the reform of the currencies—they have little or no time to give to the momentous issues of the impending civil war in China.

The Rift Within the Loot

France is not as much concerned about the East as is Great Britain. The former has traditions and aspirations which cause her to seek political advantage and economic gain rather in Eastern and Central Europe than in Eastern Asia. The progressive deterioration of the economy of Germany and Russia presents her governing class with a prospect of foreclosures and of subsequent compulsory liquidation and administration of the bankrupt countries by themselves as official receivers. France does not desire so much to trade with Germany or Russia as to loot them by systematic and merciless exploitation. France is dominated by the notions of the bondholder, the creditor of states burdened with debts.

Great Britain would restore Europe in order that the merchants of the one might

exchange commodities with those of the other and to obviate the danger of the products of Europe being used to undersell British commodities in the markets of the world. Great Britain would patch up a peace sufficiently stable to permit her to give the greater part of her attention to the problems of Imperial expansion in the East.

Thus, the news that there is a Marshal Chang-Tso-Lin and a General Wu-pei-fu, who are likely soon to come into open warfare in the neighbourhood of Peking, is not something having no relation to the Conference at Genoa. It has a very intimate relation indeed.

Marshal Chang-Tso-Lin, the military leader of the Northern faction, having the support of Japan and of Sun Yat Sen, whose government at Canton has the general encouragement of the British, would, if his arms were triumphant, give concessions to the Japanese and to the British. General Wu-pei-fu, the army commander of the democratic party, in control of the Middle Provinces, has, needless to say, the goodwill of the United States. If he establishes himself, there will be contracts for American railway concessionaires, orders for American equipment, openings for American banking houses.

Two days before the Press chronicled the imminence of battle between the two leaders, Lord Northcliffe, personally, made an attack on Japan, wrote an article in the *Daily Mail*, in his best, "Hate the Hun" style, entitled, "Watch Japan!"

Just at that precise moment, Albert Edward, etc., etc., better known as "Our Young Man," was being accorded an official welcome by the Imperial Government of Japan and the respective royalties were exchanging felicities and decorations.

Morgan and Alfred, Thy Servant

But the Northcliffe Press is a Pro-French Press. Latterly, Lord Northcliffe has swung round to promote the cause of friendship and co-operation, not only with the national executive of the Credit Lyonnais and the Banque de Paris, but with the official organ of Morgan, Harjes and Co., of Paris, Morgan, Grenfell and Co., of London, and J. P. Morgan and Co., of Wall Street—to wit, the U.S. Government.

The Wilson administration was a "Democratic Party" Administration. It was Pro-French. The Harding administration is a "Republican Party" administration. It is, therefore, traditionally favourable to the clients of J. P. Morgan and Co. and Drexel and Co., viz., to the British governing class.

Since the "Grand Old Party" came back to power in the United States, there has been an official swing over towards Great Britain, just so far as this country's policy is inspired by Northcliffe and subservient to the interests of J. P. Morgan and Co., and Schneider-Creusot.

Northcliffe has laboured against the Japanese Alliance, which is a menace to the United States, and keeps Japan in another camp from that of France.

There are two currents of policy running in Britain, France, and America. There is a policy favourable to the interests of the French bondholders and the American bankers. There is a policy favourable to the interests of the old financial oligarchy of London and Frankfurt-on-Main. The protagonists of these policies are sometimes in different groups and then the groups fight each other. They are sometimes inside the same group, and then the fight goes on inside the group.

This entanglement is visible, not only in Europe, but in China. There, over a quarter of a century, the financial dog-fight has been going on unceasingly and with a continuously new orientation of partners and new complications of antagonists.

Money Talks—and gets Tongue-tied

Last year, one of the French groups got into serious difficulties and, for one reason

or another, the *Banque Industrielle de Chine* failed.

The President of the Bank and the Permanent Secretary to the French Foreign Office were brothers. After the one fell the other. Moneys had passed from the former to the latter, and Poincare, the creature of another group, righteously demanded (and secured) that an example should be made of the culprit. Berthelot fell, and then fell Briand. To secure that was one reason why Berthelot was attacked so furiously.

The *Banque de l'Indo-Chine*, and its group of supporters, are supreme in French finance, at home and abroad, and now not only supreme but unchallenged.

The interests, very considerable in extent, that pertained to the *Banque Industrielle de Chine*, have now either been forfeited to the other group, or have come under the control of the British partners in the Peking Syndicate, Ltd.—a coal mining and railway property concern, operating in or about Peking and Tsientsin.

The greater of the British interests is not however this Peking Syndicate, but the *British and Chinese Corporation, Ltd.*, whose agents are, and whose promoters were the all-powerful Hong-Kong and Shanghai Bank, and Jardine, Matheson and Co., the great China merchants. The British and Chinese Corporation, together with the Peking Syndicate, Ltd., promoted and control the *Chinese Central Railways, Ltd.*

The Corporation operates in the South, the Peking Syndicate in the North, and the Central Railways concern was formed to link them together, eventually, into one railway system.

Amongst the financiers and contractors involved in the British and Chinese Corporation are:—

The Rothschilds,
The Erlangers,
The Sassoons,
The Hambros,
Armstrong-Whitworths,
Vickers,
Jardine Mathieson and Co.
The Cassels,
The Seligmans,
The Montagus,
The Samuels (Shell group).

In the Peking Syndicate are:—

Lord St. Davids,
The Sterns,
The Swiss Bank Corporation.

In the Chinese Central Railways are:—

The Societe Generale de Paris,
The Banque d'Outremer de Bruxelles,
The Imperial Ottoman Bank,
The Banque de Paris et des Pays Bas,
The Banque de l'Indo Chine,
The Comptoir National d'Escompte de Paris,
The British and Chinese Corporation,
The Peking Syndicate.

Where the British Boodle is

The preponderance of capital is, however, British.

Here we have an instance of an internal conflict of interests, a conflict of interests that came together in 1904, in evident antagonism to other interests now eliminated and by their elimination releasing new forces for discussion.

In the South the interests are British; in the North, British; in the Middle Provinces, British and French.

In the North, a British, French, and Belgian concern runs the Kailan Mining Administration, in conjunction with native capital. There, the interests are the same as those upon the Rand—with Armstrong-Whitworths added.

In the Hankow and the Manchurian regions are Japanese mining and railway concessionaires. On the Yellow River and elsewhere in the centre are such Americans as the Siems Carey Company, in the American International Corporation. These are coming in but—have not secured a firm footing.

That is, the cause of (much of) the trouble.