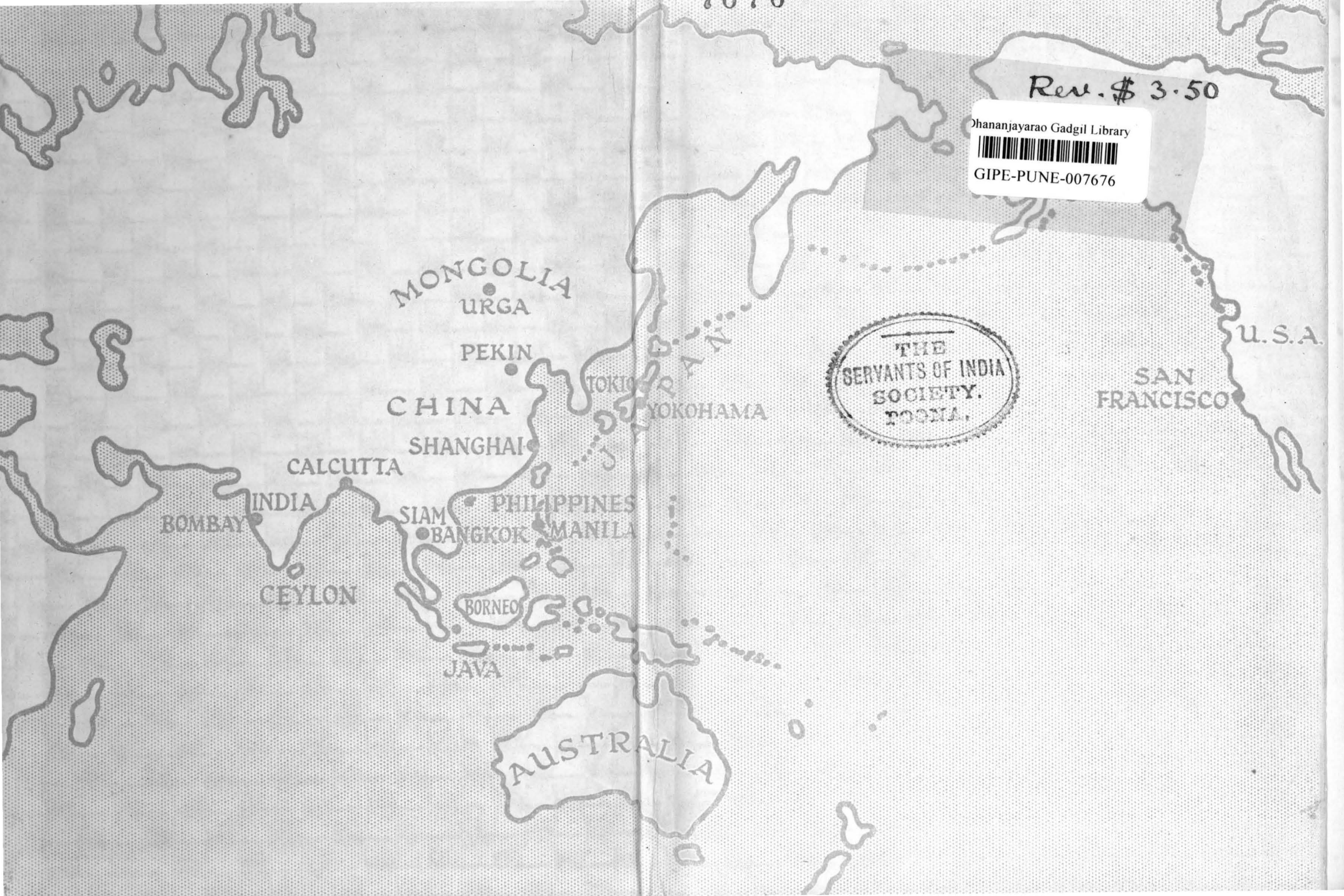


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A PIONEER TOBACCO MERCHANT  
IN THE ORIENT

China

India



One Cash

One Anna



China



Ten Cash

EARLY BRANDS OF CIGARETTES AND COINS THAT PURCHASED THEM (Pp. 32-36, 240)

**A PIONEER TOBACCO  
MERCHANT IN  
THE ORIENT**

**BY  
JAMES A. THOMAS**



**DUKE UNIVERSITY PRESS  
DURHAM, NORTH CAROLINA  
1928**



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**THE SEEMAN PRESS**  
**DURHAM, N. C.**

*Printed in the United States of America*

*This Book is*  
*Affectionately Dedicated*  
*to*  
**MY WIFE**

**DOROTHY QUINCY READ THOMAS**

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**A PIONEER TOBACCO MERCHANT  
IN THE ORIENT**



## CHAPTER I

### I ENTER THE TOBACCO BUSINESS

**M**Y GRANDFATHER, John Wesley Thomas, and my father, Henry Evans Thomas, were born in Hillsboro, North Carolina, and moved from there to Lawsonville, Rockingham County; but I do not know when. Both were members of the Methodist Church, and both grew and manufactured tobacco, principally into plug and twist, which they peddled through the Southern States. Into a two-mule wagon covered with a white cotton canvas they loaded the necessary cooking utensils together with forty to fifty boxes of tobacco weighing about forty pounds each. They went into South Carolina, Georgia, Alabama, and Florida, selling their wares along the road for cash or produce. My mother, Cornelia Jones Thomas, was born in Quincy, Florida, where my father met her when on one of his peddling trips. They were married in 1855, when my father was still making these expeditions.

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I have often heard my father and grandfather speak of Mr. Washington Duke, whom they met in the South, also peddling tobacco. On several occasions Mr. Duke came to Lawsonville. I recall my mother speaking most pleasantly of him many years ago. They were all Methodists and in the same business.

My uncle, James A. Thomas, for whom I was named, went to Trinity College for one term before the Civil War. He then enlisted in the Confederate army. After the war, he was not financially able to return to college. I first knew of Trinity from him; he always had a warm spot in his heart for the place. Knowing this, I decided in 1899 that I would present to Trinity College any books that I thought worth while, particularly on the Far East. So in that year I sent my first book to the library of Trinity College, the *Life of Cecil Rhodes*, by Howland Henson, a book that appealed to me very much. Sending books to the library has always been a great pleasure and privilege to me, and by sending them one or two at a time I have never felt their cost. I simply bought a

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book that I wanted to read and, after reading it, passed it on to the College library.

I first saw the light of day at Lawsonville, Rockingham County, North Carolina. My job as a boy was to work on the farm, and I took great interest in the growing, curing, and manufacturing of tobacco. I was delighted when the curing season came, because I was allowed to sit up at the tobacco barns during the night, keeping up the fires which were used in the curing.

In the spring and early autumn I went to a district school with the other farm children of the neighborhood. When I was about ten years old, we moved to Reidsville, North Carolina, at that time only a village with two tobacco warehouses and five or six tobacco factories, all of which sold their products principally in the South. I found employment in a warehouse at twenty-five cents a day, which pleased me very much and gave me an opportunity to meet the tobacco farmers from several of the surrounding counties and to learn about leaf tobacco. As

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time went on I knew tobacco sufficiently well to buy it on the market.

I saved as much money as I could with a view to educating myself, and there was great argument in the family as to where I should go to school. It was finally decided that I should attend Eastman's National Business College at Poughkeepsie, New York, which had a four months' course at a very reasonable price. Here I met a good many boys from the South.

It seemed a long journey from North Carolina to Poughkeepsie. In making connections at Washington, I had to wait about three hours for a train, which gave me my first opportunity to see the Capitol and the White House. I was back at the station, though, in plenty of time to catch my train. The journey from Washington to New York was through larger towns and cities than I had ever seen. The country impressed me as being very prosperous. The railway over which I traveled seemed to be better than any road I had ever been on, and I decided that if ever I made any money I would own a part of that railroad between Washington and

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New York. After completing my course at Eastman's, I returned to North Carolina and got a job in a tobacco manufacturing plant as a salesman, principally for the South.

The Philadelphia Centennial was widely advertised in 1876. Although my means were extremely limited, I finally succeeded in getting sufficient money for a trip to Philadelphia and return, with one week at the Centennial. Here I saw my first cigarette. It was made at an exhibit by some people from Egypt. On my return from the Centennial I again became a tobacco salesman. The factory for which I worked made only plug and twist. In traveling most of the Southern states for it, I learned how to market tobacco. As I knew more about this product than about cotton, the other staple of the South, I decided to go on in the tobacco business.

My immediate objective was to get into the cigarette trade as soon as I could, for I felt sure that this business would develop greatly. It seemed logical to me that, if Egypt could sell cigarettes in America, America could sell to



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Egypt and to the entire world, because America was the home of tobacco. Nor was it long before the manufacture of cigarettes was vigorously taken up in this country. About this time the firm of W. Duke Sons and Company, of Durham, North Carolina, commenced making them.

The Hawaiian Islands before they were annexed to the United States, Japan, China (including Manchuria and Mongolia), the Philippine Islands, India, Burma, Ceylon, Java, Sumatra, Borneo, Malay, Chinese Turkistan, Tibet, Korea, Russia, Germany, Poland, Austria, Italy, France, England, Belgium, Malta, Gibraltar, Spain, Africa, Canada, Samoan Islands, Fiji Islands, Australia, New Zealand, Tasmania, and Mexico: these are the countries I have visited. Although tobacco was being grown in many of them, and China grew more of it than the United States, we succeeded in introducing into these countries cigarettes manufactured from tobacco grown in North and South Carolina and Virginia.

In 1886 I went to California for a firm of

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tobacco manufacturers, Motley, Wright and Company, and to Australia in 1888 for the same firm. I traveled in Australia, New Zealand, and Tasmania until 1894, returning to America at the outbreak of the Chino-Japanese War. Some years after the formation of the American Tobacco Company, that corporation bought Motley, Wright and Company. I then accepted a position with the Liggett and Myers Tobacco Company, of St. Louis, Missouri. After I had been with Liggett and Myers a few years, it was bought out by the Continental Tobacco Company, and I was ordered to New York to confer with the officials of the Continental. I was given a position as manager of the export department, assigned an office and stenographer, and was told to take up my work on the first of the month, which was only four of five days off.

A few days later the board of directors of the Continental met and voted to abolish my position. I was told that the American Tobacco Company would look after the export trade. I was given a position in the American Tobacco Company in 1899 and was sent to India as man-

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ager. I had previously been to India, China, and other parts of the Far East for the Liggett and Myers Tobacco Company. Soon after I left America the Continental was merged with the American Tobacco Company. I want to make it perfectly clear that when the American Tobacco Company bought the Motley business, and later on when the Continental Tobacco Company bought out Liggett and Myers, I was not a part of the sale, though I did secure employment with the American Tobacco Company.

But let us return to California, whither I was first sent, which in those days seemed to me further away from North Carolina than Australia seems today. Although my object was to visit foreign countries, starting West quite satisfied my wanderlust. I was new to California, and California with its people, their customs and habits, was new to me. However, I got settled quickly and commenced to look around for the best course to pursue in introducing a new brand of tobacco.

After being in San Francisco for about four or five weeks, I became more or less acquainted

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with the city. One day I went into a restaurant and got up on a high stool to eat my lunch. I ordered roast beef and potatoes with the usual bread and butter, the price of which was twenty-five cents. Sitting alongside of me was a bald man with a long black beard who weighed about two hundred pounds. He was eating corned beef and cabbage. No sooner had I asked for roast beef and potatoes than, without any salutation whatsoever, he said: "I advise you to change your order. I know this restaurant well. The corned beef and cabbage they have here is the best in the country." Without further ado, he told the waiter to cancel my roast beef and potatoes and to bring me corned beef and cabbage. I rather resented this, and could not understand why he should deliberately cancel the order of an utter stranger. I told him that if he did not object, I would rather have roast beef and potatoes than corned beef and cabbage. He still insisted, but I told him that if everyone ate what he was eating, then the proprietor would not cook any more roast beef and potatoes and would probably raise the price of

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corned beef and cabbage. So I thought it was better for him to eat one thing and for me to eat another.

He changed his tactics immediately, remarking that there was a good deal in what I had said, as he himself knew restaurants which had raised prices on different dishes for no reason whatever. He also told me that if I ever needed a job he would give me one. I asked him what kind of job he had to give, and he told me that he was in the tobacco trade. My reply was that I was already in the tobacco business and was quite satisfied with my work. This introduction at the restaurant was the beginning of our friendship. Mike, as I shall call my friend, was always very particular about details. When he paid a street-car fare, he counted the change, and if he bought a cigar or a piece of tobacco, the same thing took place. He was a close, conscientious worker, who kept in touch with everything connected with his business. He could tell you the names of the streets, the easiest way to get to a certain part of the city, or to any part of the United States, and he knew the



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customers of his company well enough to call them by their first names.

The best selling brand of chewing tobacco in those days was a plug manufactured to weigh twelve or fourteen ounces, marked off so as to give six ten-cent cuts. This worked very well, as the consumer had only to lay down his dime and take one sixth of a plug, which in some places was the twelve-ounce size and in others the fourteen-ounce plug. However, as Mike sold a sixteen-ounce plug while I sold smoking tobacco, we were not competitors. He and I often used to meet the representative of the company that was selling the twelve- and fourteen-ounce plugs, which had nearly all of the business. This man gave us much genial advice and pointed out the many failures that had been made by men who had come to that part of the world to introduce new brands of tobacco. All of this we accepted in a most friendly manner, but it gave us cause for serious thought.

Mike's brand was comparatively new on the market, but he was putting in a lot of hard work to introduce it. His day started at about seven

## A PIONEER TOBACCO MERCHANT

o'clock, and often he worked until twelve at night with indifferent success. He had an agreement with his company by which he was to receive, in addition to his salary, a commission of two per cent. for any increase in his total sales over fifty thousand dollars a year. Up to this time, however, he had not been able to realize anything on this two per cent. proposition, as his sales per annum had not amounted to fifty thousand dollars.

One morning he received a postal card from a large firm of tobacco merchants, asking him to call at their office. He responded immediately and was given an order for a hundred thousand pounds of tobacco together with a check for forty thousand dollars, with a stipulation that the tobacco be manufactured into fourteen-ounce plugs. He thanked them, saying that he had realized for some time that there was an increasing demand for his brand and that he would transmit the order to his company, leaving it to decide whether to accept it or not. Mike adopted this method because he was selling only sixteen-ounce plugs. The to-

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bacco merchants seemed satisfied that the order would be accepted, so Mike transmitted it to his company.

At that time it took about seven days for a letter to go to the eastern part of the United States from California. Mike was very uneasy while waiting for a reply and canvassed the situation with me. Some days he was quite sure his order would be accepted; on others he was sure that it would not be. About fifteen days after he posted his letter he received a reply returning the check and a receipt for it, which he was instructed to deliver to the merchants for them to sign in exchange for the check and the order. The company regretted that it could not accept the order, because the machinery in its factory was built to manufacture a sixteen-ounce plug. Mike was particularly requested to explain this to his customers and to endeavor to get them to order sixteen-ounce plugs. He faithfully carried out these instructions, but was unable to get the order changed.

That afternoon, after Mike had posted the

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receipt back to his company, he called on me, and we went over the whole situation. He was discouraged and told me quite frankly that he did not see much future in the position that he held; that he had worked hard to induce one of the largest tobacco merchants in the country to place an order for one hundred thousand pounds of tobacco, which his company had declined to accept; that he proposed to consult his wife, resign his position, and to go into some other business. Although he talked freely about the letter from his company, I felt that I would like to read it myself to help me understand why the order was declined. But he seemed secretive about the letter. Finally I told him that I thought we had better go home and take up the matter the next day. Whereupon he insisted on telephoning his wife that he would not be home for supper and on my eating with him at the high-stool restaurant.

Afterward we walked up and down the street, still debating the letter and the course he was to pursue. At four o'clock in the morning, after having talked all night, we stopped under a

## ENTERING THE TOBACCO BUSINESS

lamp-post, and he showed me the letter. I read it carefully. To the final paragraph, in which his company reminded him that its plug weighed sixteen ounces, his reaction was: "Of course, I know our plug is sixteen ounces and that sixteen ounces is a pound. I cannot understand why they should write me like that, when they know perfectly well that I have known it all the time." Together we read the letter over again, at least a dozen times. I suggested to him that though he and his company knew the plug weighed sixteen ounces, probably the public, or the consumers of his tobacco, did not know it, and for that reason his company had called attention to the fact.

In reply to his question as to what to do, I told him to have posters printed immediately reading: "Every plug of our tobacco weighs sixteen ounces, full weight." I advised him to have these made by the thousands and placed on the bill-boards of the fourteen Western states assigned to him. I repeated this three or four times and saw that he had commenced to think. It was now getting on toward six o'clock, and



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Mike suggested that we go into the restaurant for some breakfast. To this I agreed. Before the meal was over I could see that he had reached a conclusion. On finishing we crossed the street to a printing establishment which the proprietor was just opening. Mike placed the order for the posters, three-inch black letters on yellow paper. When asked how many he wanted, he told the printer to keep right on at full time, making posters until told to stop.

The posters did not cost much—three dollars a thousand—and by twelve o'clock that day they were being put on local bill-boards and were being sent out all over the West to bill-posters with instructions to use them plentifully. The response to this poster seemed slow to Mike. He got discouraged and said he was afraid his idea was not going to yield results. My advice was to go on and give the public a fair chance to read the posters, as I felt sure that an increase in his sales was bound to follow.

One evening I went into a tobacco shop in an interior town and spoke to the proprietor, whom I knew slightly. I asked him how Mike's brand

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was selling. He stated that there was not much demand for it, that the twelve and fourteen-ounce plugs had all the business. While we were talking, a man came in carrying a tin bucket. His face was all black with coal soot. Laying down a ten-cent piece, he asked for a cut of the fourteen-ounce variety. Putting it into his pocket he started for the door, only to come back to ask the proprietor to show him the ten-cent cut of the sixteen-ounce plug. He took the two pieces of tobacco, one in each hand, and examined them. Finally he laid down his first purchase, pocketed the other, and walked out. I bade the proprietor of the shop "good-night," and went straight away to send Mike a telegram advising him to put up more posters, as the public was asking for his brand because of them. He replied that the demand had increased, and that he was sending more posters to the town where I was.

Time rolled along, and the orders commenced to pour in for sixteen-ounce plugs. It was not a question of how much a tobacco merchant would buy, but how much he could get. Distribution

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was made in such a way as to give all the merchants and dealers a share in the supply. Mike and the home office of the company received a great many complaints from merchants who were not being supplied with a sufficient quantity. These customers were told that preparations were being made for an increased supply for everybody.

Mike's business grew. He received orders one month for fourteen million pounds of tobacco, an increase due to the posters, which simply said: "Every plug of our tobacco weighs sixteen ounces, full weight." The sales of the twelve and fourteen-ounce plugs dropped off correspondingly. Their manufacturers changed to a sixteen-ounce piece, which the public declined to buy. Mike had to get a new office and a larger staff. He was regarded by everyone as a man of excellent judgment. In less than six months he was called upon for all manner of advice. Naturally, he was greatly pleased, though he still received a long string of complaints, because he could not supply the demand for his tobacco.

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He constantly spoke of this to me. One day, just for a joke, I told him that I did not see that it made any difference whether he got an increased supply or not, as I was certain that he was going to lose his job, and he might as well make up his mind to it. He wanted to know why I thought this, when his sales were showing a big increase. I simply told him that his sales commission over and above the fifty thousand dollars a year was causing him to make more money than his company was making, and that I was certain such a state of affairs could not long continue. I urged him to talk the matter over seriously with his wife, enabling her to prepare for the family changes when he should lose his job. He did not agree with me. When I insisted on seeing the check for his last month's two per cent. commission, he stated that he had already put it in the bank. Finally he told me what the amount was. I replied that he ought to know that his company was not going to continue to pay him that sum of money.

He went on with his work, and about three months later he received a beautiful letter from

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headquarters stating that his services had become too valuable for him to remain in the West, that they wanted him to close up his affairs, appoint his successor, and come back to the head office as sales manager for the entire business. They offered to make him one of the directors of the company, but no mention was made of the two per cent. commission. He replied that he preferred to remain in the West and that he had bought a house, to sell which would occasion him a loss. In addition, his wife was perfectly satisfied and preferred to live in California. The company replied, insisting that he act on the previous letter without delay and that he would be repaid any loss on his house up to ten thousand dollars. He advertised the place for sale, and within a few weeks took up his new position, which he handled with great credit. His salary was readjusted so as to compensate him in part for the two per cent. commission, and the whole matter was satisfactorily arranged.

The point of this story is that a short sentence: "Every plug of our tobacco weighs six-

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teen ounces, full weight," developed a successful idea and created for me a position with Liggett and Myers, involving an opportunity to go to the Hawaiian Islands, Japan, China, the Philippines, Borneo, Straits Settlement, Java, Sumatra, Siam, India, Burma, and Ceylon; for Mike recommended me to the company. I had instructions to visit these countries for three years and then come back and tell what I had seen. Accordingly it was arranged for me to sail on August 5, 1897, on the good ship *China*, going from San Francisco to Yokohama, *via* the Hawaiian Islands: We had about two hundred first-class passengers on board, among whom were a Russian admiral and his staff, who were also going to Japan.

My job had seemed good until I landed in Japan, where I realized that I was a foreigner unable to speak the language and was undertaking to introduce American cigarettes. After a few days of serious consideration, I was in a frame of mind to get the next steamer home, but I decided that this would never do. I had accepted a position agreeing to visit these countries

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and had been given a perfectly free hand. Accordingly, I determined to set to work to get some valuable information for my company.

Soon thereafter I went to China, where I later did a large part of my best work. Before relating my experiences there, let me summarize briefly my travels: I first went to China in 1897. After spending a few months there, I visited Hong Kong, the Philippine Islands, the Malay States, Siam, Burma, and India. In 1900 I was sent to Singapore as manager of the American Tobacco Company in the Straits Settlement. This company was amalgamated with the Imperial Tobacco Company in 1902 to form the British-American Tobacco Company, Ltd. I was manager of this company in India, 1903-4. In 1905 I went to Shanghai as manager of this company in China, where I remained until January, 1916, when I was transferred to the London office. I returned to China later in the same year and remained until 1923. In the years 1920-23 I was released to organize the Chinese-American Bank of Commerce, after which I returned to the United States.

## CHAPTER II

### MY PROBLEM IN CHINA

**P**ICTURE in your mind's eye a man landing in 1897 in China, a country with a population of 450,000,000 people. He knew nothing whatever about the country except what he had been able to gather from books. After his reading, he was as much at sea with regard to establishing himself as would be a man taken by the heels and thrown into the middle of the Pacific Ocean without a life-buoy or a boat in sight. I had a job and knew that I would get my salary at the end of each month. My desire was to earn that salary and to conduct myself in such a way as to retain the confidence and respect of my principals back home.

Candidly, I did not know which way to turn. Being a foreigner, I was placed in the cold category of alien. As I did not speak the language, my first business was to employ an interpreter. I went faithfully to call upon Chinese merchants, and the interpreter listened to my story, which would often take half an hour. Then he



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would turn to the merchant and in a dozen words interpret what I had said. I felt that it was not possible for anyone to interpret a speech of a half hour in a few words, and I was terribly discouraged. But, after taking into consideration all the conditions, I decided that it would never do for me to fail in what I had undertaken; that is, to establish contact with the Chinese merchants.

I tried to give myself encouragement. I called upon foreign bankers and foreign merchants, who received me very cordially. But they stated quite frankly that they thought I had undertaken a futile project, that the Chinese smoked pipes and would always smoke them, knew nothing about cigarettes, and cared less. In my interviews with these conservative foreigners I received no more encouragement than I had had from the Chinese merchants. The whole proposition looked impossible, but I was determined to find a way out. What is more, I had been raised to work from seven o'clock in the morning to any hour of the night that I could find work to do, and I believed that something

## MY PROBLEM IN CHINA

would be accomplished if I adhered to this principle.

I reasoned that if a man with no education or training but with the common-sense notion of driving a nail into a piece of wood with a hammer could become so adept as to hit the nail on the head every time, he would eventually drive it in. This may be a homely comparison, but it was the one I made, and coupled with it was a determination to find a way for the successful introduction of cigarettes into a foreign land. I knew that I had the coöperation and support of my chief back home. I was also sure that he knew nothing about the conditions I was contending with; and, further, that it would make very little difference to him if I returned home and frankly said I had failed. My principal would probably say that he felt sorry. He might add that he knew the task I had undertaken was difficult, but that he had hoped I would find some way leading to success.

Although I had never studied economics at school, economic problems always interested me. When I was a boy I got hold of a book on the

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subject which I read very carefully and which made a deep impression on me. That book took the position that farm labor was drawn upon more than any other class of labor. On the other hand, when a railroad or building was constructed, a portion of that labor filtered back and was employed again in building something else. My book on economics drew the poverty line and gave an illustration of the two usual periods of poverty in the life of a farmer. It started out with a young man from twenty to twenty-four years of age, who was just above the poverty line. He then married and went to farming on his own account. His children came on, and he went below the poverty level until the eldest child was about twelve years of age, when it could produce something on the farm. When the children reached the age of twenty to twenty-four, the father and mother were slightly above the poverty line again. Then their children married and went off for themselves, sending the father and mother, at the age of forty-five or fifty, again below the poverty line, where they remained the rest of their lives.

## MY PROBLEM IN CHINA

What further impressed me was that the masses own the one, five, ten, twenty-five, and fifty-cent pieces, which comprise most of the coins current not only in the United States but in any country. The man who has the dollars is certainly supreme when dollars and cents are compared; but, as the majority of the people own small coins, the men with dollars are in the minority. As most of the wealth of a nation is in the hands of the people with the small coins, it seemed to me that if I could create something to sell to this majority for a coin that was current, it would lead to success. So I kept right on thinking about this and trying in every way to hit upon a practical application.

One day I was in a retail grocery store in America watching an incoming shipment of goods. Among other things there was a sack of salt that weighed about one hundred and seventy-five pounds. It was opened and dumped into a barrel. A few minutes later a woman came in and asked the clerk for five cents' worth of salt, salt being priced at two cents a pound. The clerk went to the barrel, took out a scoopful,

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and put it on the scales. He gave the woman down weight, or a little more than two and a half pounds of salt, for a nickel. I asked myself: "Why could not a container of thin cotton cloth with a brand printed on it, and with an equalization of freight, be made to sell for five cents; that is, why not sell a bag of salt for five cents, giving the dealer a profit and cutting down the expense of clerk hire?" I figured that the cloth container would not cost much more than the paper bag which was in use, and that by taking into account the overhead of the grocery store together with the freight, a measure of salt could be put in a cotton cloth container and sold for five cents. Salt was so cheap that clerks took very little thought of what weight they were giving, as the profit or loss on it seemed inconsiderable. The result was that I devised a cotton container which held five cents' worth of salt and sold the idea to a house in the salt trade.

Likewise, the sewing machine fascinated me. In the early days the thread of a sewing machine was in a skein, which was fastened to the

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plate of the machine and came up to the top of the bar and then went down over the front to the needle. The feed was from this plate, and the skein of thread had a small tag on it to hold it together. It was just a piece of thread and in no sense a proprietary article. Consequently, there was no good will connected with its manufacture. I took a piece of paper and wound the skein of thread around it. When this was put on top of the bar it fed right down over the plate into the needle very much better than it did the other way. I showed this improvement to a man who was in the thread trade, and finally a labeled spool of thread, now in general use, was put on the market. For this idea also I received a small remuneration.

I do not know what construction will be put upon what I have written, or whether it is sound economic theory; but it illustrates how I applied my economics. At the time, I had no idea that the salt bag and the spool of thread would go into general use. What I profited on these devices was easy money, and I was satisfied. In my judgment, any scheme to eliminate

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waste is worthy of serious consideration. The public as a rule pays little attention to waste.

These incidents give some idea of what was going through my mind out there in China. I finally decided, for want of something better to do, or rather to keep from thinking of my possible failure, to get possession of one each of the metal coins of the country. I was always collecting coins. In fact, I had made it a part of my day's work to do so. I went to an exchange shop and in a few minutes picked out from the stock of copper and silver coins those that were current. When these were piled up, the coin merchant told me what I owed him.

After purchasing the coins, I took them to my room and laid them down on the table. From the exchange rates I very easily worked out the value of each in gold dollars. After spending a few hours in this way, I became so much interested in these coins and their value that I could think of nothing else. As a matter of fact, I had already forgotten the impressions I had after meeting the Chinese and foreign merchants and bankers a few days before.

## MY PROBLEM IN CHINA

I then conceived the idea of making a packet of cigarettes that could be purchased with one of these Chinese coins. I would allow a profit for the manufacturer, the wholesaler, and the retailer; and take into consideration the cost, freight, insurance to China, and the Chinese government duty. The consumer need only exchange his coin for a packet of our cigarettes. This necessitated many calculations. I went to a stationer and bought a supply of thirty-two column paper. On the right-hand side of the thirty-second column I put a Chinese coin which represented two cents. Usually in making estimates one commences at the left-hand corner of the paper. I started at the right, because I knew that the two-cent gold-value coin in the hands of the Chinese consumer was the most important item before me. The consumer was enthroned, so to speak, and it was up to me to create something to sell him for his coin. After many days of work, I got back to the last column on the left-hand side of the paper, proving that my project was feasible.

No sooner had I convinced myself of this



## A PIONEER TOBACCO MERCHANT

than other difficulties arose, difficulties that seemed almost insurmountable. It occurred to me that if the cigarettes sold for the coin on which I had based my figures, the business would immediately develop to such an extent that the price of the raw material at home would advance, thereby throwing my price level out and causing a decrease in the volume of possible business. So I decided to start all over again and to make my figures on a twenty-year basis, accounting in one column of the sheet for an increased cost of raw material, but still showing a profit. These calculations on a twenty-year basis contained nearly ten thousand figures, which I checked and proved and had printed on sheets. Then I proceeded with my idea.

Although it took months to get these figures completely cleared up in my mind, they gave me an assurance upon which I was willing to stake my reputation. I went about my daily routine with perfect poise. It was my plan to place these figures before Mr. James B. Duke as soon as I had an opportunity. I hoped that he would

## MY PROBLEM IN CHINA

be sufficiently interested in them to back me in carrying the project into effect.

A few months after this, I went to New York and was able to present the figures to Mr. Duke. They impressed him very favorably. After half an hour's conversation, he told me that I could proceed with my idea and that he would give me every support. This encouraged me greatly. He advised me to explain my purpose to some other gentlemen in the office, which I did. But after being around for a few days with the sheet of figures in my hand, the men to whom I had explained my idea usually went the other way when they saw me coming.

After ten days or so, I talked to Mr. Duke again one morning. He asked me what I had done or was going to do with my plans regarding the introduction of cigarettes into Eastern countries. I told him that I had done nothing, and that although I had talked to everyone who gave me an opportunity, I had received no encouragement. He summoned several other gentlemen into his office, one of whom asked me how much tobacco I wanted to carry out the

## A PIONEER TOBACCO MERCHANT

idea. I told him five million pounds. He did not concur, but after an hour's argument it was decided that I could have a million pounds with which to start. The first shipment of cigarettes to arrive in China sold immediately, as did later shipments to that and other Eastern countries. Mr. Duke continued to give my plans his full support.

I went back to the Far East for two years and then returned to New York. Mr. Duke assured me that the idea was getting on very well, that he was pleased with it, but that he thought I should advertise more than I was doing. I explained that I was feeling my way, trying to make the cigarettes a paying proposition from the very beginning. He became enthusiastic when I finally told him that I was not unprepared to spend more money in advertising. I asked him how long it would take to double the price of the leaf tobacco used in manufacturing cigarettes and to add to the value of tobacco land fifteen dollars per acre over and above the normal price. He immediately answered that it would take twenty years. As a matter of fact,

## MY PROBLEM IN CHINA

it only took ten and one half years to bring about this result.

About this time a suit, which finally disintegrated the old American Tobacco Company, was brought against it by the federal government. I think this suit was bound to come because anti-trust public opinion was strong throughout the United States. But I knew that the price of tobacco rose as soon as an export trade was created. There was no criticism of the position the government took. With me it was purely a matter of creating something that the public in a foreign country would buy and pay a reasonable price for.

There was no column in my sheet of ten thousand figures that provided for public opinion. In the final analysis, the law suit was put into a building by itself and was handled by courts and lawyers, while we went on, as formerly, attending to business. We felt that we were entitled to some credit for adopting this method, since we were paid to increase the very satisfactory business that we had, and we succeeded in doing so.

## CHAPTER III

### JAMES B. DUKE AND THE TOBACCO BUSINESS IN THE FAR EAST

**J**AMES B. DUKE was born with an unusual amount of common sense and could absorb ninety-nine per cent. of what was said to him when it was worth listening to. I shall never forget my first interview with him. I had heard a great deal of the man, particularly of his mercantile ability, and knew that he was making a success of his enterprises. Knowing that he was a very busy person and prizing the opportunity of talking to him, I had noted a few things that I wished to discuss and had them on a small card in my hand. These points dealt with business in the Far East. I went into Mr. Duke's office with as much awe as if I were meeting the President of the United States, wondering all the while what he would say. Not knowing what his reaction would be, I was very hesitant to take up the points I wished to talk about. He asked me to sit down and immediately opened up the conversation. After



**JAMES B. DUKE (c. 1897)**

## JAMES B. DUKE AND THE EAST

being in his presence for five minutes, I felt as though I had known him all my life. I realized that I could tell him in detail what I was undertaking in the Far East, because I was certain that he would be interested and would give me the benefit of his great mercantile knowledge.

The simplicity of Mr. Duke's manner made him quite approachable. After talking with him, I concluded that he had a gift for seeing the other man's side of a case as well as his own. This gave him great power. Before our interview was over, he said that at school he had paid little attention to geography; but that his brother, Mr. Benjamin N. Duke, had studied it and wanted to talk to me about the Far East. I received some valuable information on the occasion of my meeting Mr. Benjamin Duke.

Mr. James B. Duke always asked many questions relating to all kinds of business. I recall that he once asked me how much it cost to grow a pound of tobacco, a bushel of wheat, a bushel of corn, and a bale of cotton in China. He wanted to know the wages of Chinese farm laborers, quoting the figures for farm hands in

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the United States and the cost of producing commodities at home. He realized that there was plenty of farm labor in the Far East, but wanted to know the difference in the costs of production abroad and in the United States. Mr. Duke maintained that if the Chinese could produce something cheaper than we could over here, we ought to buy it from them, thus enabling them to buy more cigarettes.

At the time of the Boxer Rebellion in China, it was almost impossible to market goods there. As a result of this stagnation in trade, the price of tobacco was very low in 1901. Public opinion in America blamed Mr. Duke for the reduction. There was much adverse comment. Knowing the conditions in China, I did not share this feeling. Also I knew that in promoting our foreign sales, Mr. Duke constantly emphasized the fact that we were helping to increase the price of tobacco to the farmers who grew it in the Carolinas and Virginia. We knew that the Southern farmer was poor and needed this help. Mr. Duke also maintained that an increase in the price of tobacco would raise the



## JAMES B. DUKE AND THE EAST

value of the land upon which it grew. With the settlement of the Boxer Rebellion, business improved, and the price of leaf tobacco went up. To-day it is commonly recognized that the price of tobacco and tobacco fields in America is partly kept up by the large export trade which Mr. Duke and his associates created. Incidentally, Georgia has taken up tobacco culture, and production there is on the increase.

Mr. Duke put the same amount of energy and business ability into the Far Eastern trade that he did into the domestic business. Once he told me that he expected soon to have the domestic business so thoroughly organized that if it were not for the Far Eastern trade he would have nothing to do. At a time when many laborers in China worked all day for ten to twenty cents, he directed me to try to create higher wages among them. This would increase their consuming power. So we established factories in China for the Chinese trade. The native labor was so well looked after in matters of sanitation, living conditions, etc., that our labor turn-over was less than one per cent. The

## A PIONEER TOBACCO MERCHANT

Chinese were trained and given a living wage. This part of the work was particularly interesting to Mr. Duke.

I was glad to see the establishment of these factories. With the successful introduction of several brands of cigarettes into the Far East, the market was permanently established. But as we were marketing a proprietary article, someone might possibly soon come along and manufacture cigarettes in the Orient. Had this been done, the sale of our cigarettes would undoubtedly have been affected to such an extent that we might have lost the trade we had spent years to establish.

After these factories were started, the Chinese could buy five good smokes for a copper coin, which in American money would be about half a cent. The sale of these cigarettes made of Carolina-grown tobacco increased to a volume of five hundred million a month. Given China's population of 450,000,000 people, and assuming that in the future they might average a cigarette a day, I began to wonder where all

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this tobacco would come from. Certainly we could not get it from America.

At that time there was more tobacco grown in China than in the United States. Once when it was charged that the Americans were teaching the Chinese to smoke, Mr. Duke asked me to look up the history of tobacco in China. I learned that China had been growing tobacco since the sixteenth century; it was brought from the Philippine Islands about 1568. But the Chinese tobacco was not aromatic. It was used principally for smoking in water pipes.

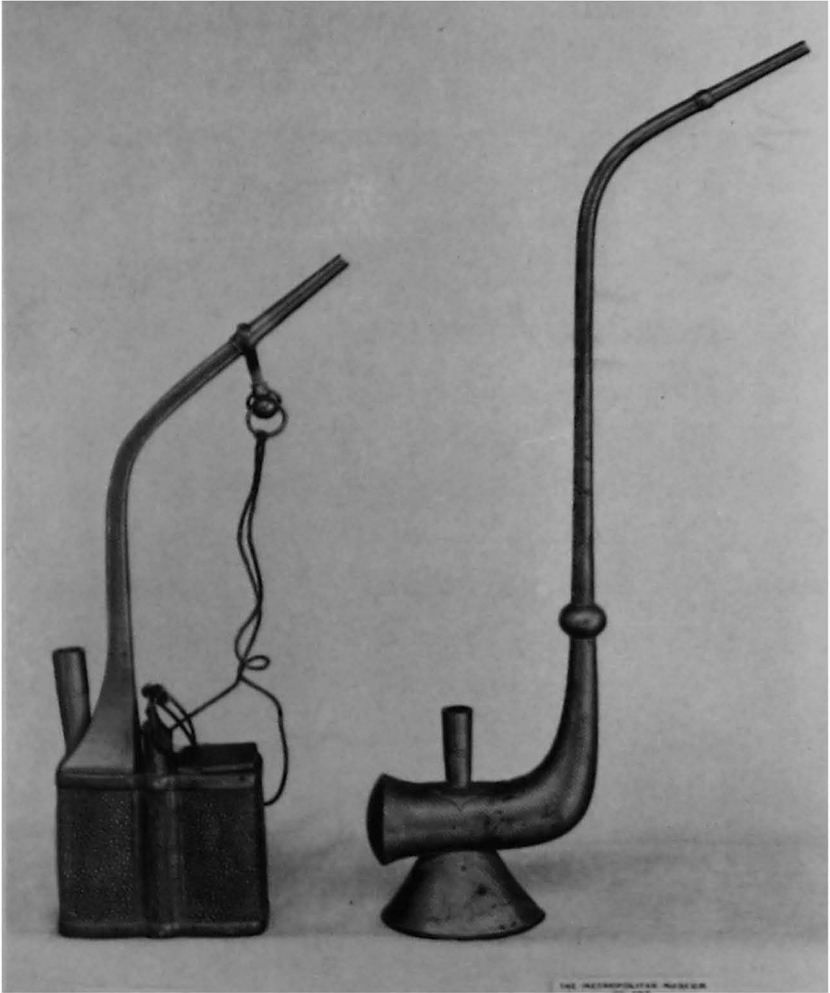
After some investigation I found that the quality of the native tobacco could be improved to such an extent that it could be used in the grade of cigarettes we sold in China. I next brought out from North Carolina some men who were thoroughly familiar with growing cigarette tobacco. They taught the Chinese farmers how to cultivate it. We also employed a soil expert. Seed and fertilizer were imported from the United States. In three years we produced a satisfactory quality of tobacco. Though we bought the tobacco we taught the Chinese

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farmer to grow, other manufacturers could and did go into the market, buying it at the same price.

While improving the quality of Chinese tobacco, we found that by using healthy seed and good fertilizer the farmer could produce a heavier tobacco than he had formerly grown from native seed. Within seven years we had produced a good hereditary tobacco seed in China. When we commenced this work in Shantung province, that province was considered the poorest in the country. Later this condition was reversed, due largely to the assistance given the farmers in pursuance of Mr. Duke's policy.

Three years after we started teaching the Chinese to improve the quality of their tobacco, I returned one evening from a trip through the tobacco districts and remarked to my colleagues that the farmers were growing little else. They were getting a better price for tobacco than they had ever received for other products and were quite satisfied to grow it. I was afraid, however, that eventually there would be a shortage of



**WATER PIPES**

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food in the tobacco growing country, a condition that I thought we should consider. I noticed that the farmer who had grown tobacco for a year or two went to the village to buy most of his food. In view of the large population of China, I told my colleagues that I thought we were on the wrong road, and that we should immediately set to work to influence the farmers to grow more food stuffs.

There was considerable waste land in the district where we were. The land in that part of China is very much like that in some parts of North Carolina. It grows broom sage, black-eyed peas, and peanuts. The rainfall and red gullies also reminded me of Carolina. We finally cabled to San Francisco and had four tons of alfalfa seed sent to us. On the arrival of this seed we had printed in Chinese instructions for planting alfalfa and a statement that it would grow well on waste land. We put these slips of paper into cotton sacks containing a half pound of alfalfa seed each. These bags were then distributed among the farmers. As alfalfa is a perennial, it required very little

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extra labor for the farmer to grow it. He got two crops a year, which he used in feeding his animals, principally cattle. Three years later the province of Shantung was exporting beef to the Philippine Islands as a result of the increased growing of cattle made possible by the introduction of alfalfa. A cold-storage plant was erected at Tsingtao, and the beef was sent in cold-storage ships. When one considers the amount of food required for the population of China, the seriousness of the situation is clear. We thought that if the farmers would plant alfalfa, the food supply would be increased. This proved to be the case.

The Chinese Revolution took place in October, 1911, and a republican form of government was set up. The new republic found it absolutely necessary to borrow money from foreign powers, a portion of which would be used to demobilize the Chinese Army and find work for the soldiers. This brought to the foreground the question of finance. During 1912 preparations were made for loans from foreign powers. In 1913 the Chinese Re-organiza-



*From Agricultural Journal of China.*

**EXPERIMENTAL TOBACCO FIELD, CHIKIANG**



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tion Loan was signed, a sextuple loan of one hundred and fifty million gold dollars, which was to be underwritten by the bankers of the United States, Great Britain, Japan, Germany, Russia, and France—twenty-five million gold dollars each. But when the question of this Re-organization Loan for the Government of China was taken up with the American Secretary of State, Mr. W. J. Bryan, he advised the American bankers to withdraw from the project on the ground that the integrity of China was affected; so the loan was underwritten by only five of the powers mentioned above, the United States not participating. Simultaneously with this, a London banker loaned the government of China a further twenty-five million gold dollars, making a total of one hundred and fifty million gold dollars, and, in addition to this, American bankers loaned China eleven million gold dollars; Japanese bankers also loaned China one hundred and seventy-five million gold dollars.

In talking all this over with Mr. Duke, he took the position, or asked me the question,

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“How can China go on borrowing money at this rate, without making a provision to pay these debts by increasing her revenues or tariffs? If some steps are not taken by China to increase her revenues, there will be a serious condition.”

Mr. Duke was in fact greatly interested in the future of China and thought that the government should readjust its customs tariff on an upward scale, using the increased revenue to discharge the national obligations. For example, in 1914 two government officials asked me what I thought about increasing the tax on tobacco and cigarettes. I told them that it was a question that would have to be thoroughly considered, but that, if they wished me to do so, I would take it up with my principals. If the latter agreed, a plan would be worked out by which these taxes could be increased without affecting the industry.

In 1912 our company had sent voluntarily two experts to Peking to study the question of taxation on tobacco and cigarettes. When, in 1914, Chinese government officials broached to me the matter of an increase of tobacco taxes,

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I at once cabled Mr. Duke, who replied that we should proceed with the matter. Therefore, with the aid of government officials, we worked out a scheme for increased revenue from tobacco, satisfactory both to the company and to the Republic. But it was not put into operation, owing to the objection of one of the powers, which was at that time and has been since anxious to curb the growth of the Chinese Republic.

The Americans employed by the company adapted themselves to local conditions as far as was consistent with good business. Mr. Duke kept in close touch with what was going on. Not only did he have long talks with the men who had been in the Far East, but he regularly read the reports that were sent in. He had the confidence of every man in the company, high or low, though many of them he had never seen. In discussing a proposition in far-away China or India, the question always came up as to whether Mr. Duke would approve the policy chosen. If the project were submitted to him, even after it had been put into effect, his advice and counsel were always helpful.

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On one occasion I mentioned to Mr. Duke that every piece of machinery owned by the company in China was running twenty-four hours a day. I was much pleased to be able to report this. Immediately he replied: "You get a good piece of land and build another factory at once. If you are working a staff twenty-four hours a day in shifts, it is expecting to much of them, so build another factory." He straight-way gave me a rough outline of the factory I was to build. On my return to Shanghai I set to work to have the drawings made. Twelve days later Mr. Duke cabled to know if I had bought the land and was proceeding with the factory. I cabled in reply that the plans were nearly completed and that I was leaving that night for the town where the factory was to be built. The journey took four days. Two days after my arrival I bought the land and let the contract for the building. The factory was completed in about six months and put into operation. Training the labor was quite a task. However, the factory was soon turning out two million cigarettes a day.

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When next I arrived in New York, Mr. Duke asked me about the factory and its operation, saying that he never thought I would build a monument to myself in China; but that he considered the new factory a monument, since it was only producing two million cigarettes a day. I explained that we had been handicapped by having to train the labor, but now that this had been accomplished we were in a position to have that factory turn out more cigarettes. I sent a cable ordering the increase.

James B. Duke was the greatest merchant I ever met. The organization that he built up was nearly perfect. It developed a remarkable *esprit de corps*, which he nursed continually. He trained men to do a certain class of work and carefully watched them in their performance. No one was given work for which he had no capacity, but each was given as much responsibility as he could successfully carry. I recall talking to him about an employé whom we both knew. He was a man of good character and habits, but he frequently complained about his lot and did not have the power of application.

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He continually wanted to change the product given him to sell into something that he imagined would sell better. He was the type of man who does not go fully into any subject and is willing to make a change without good reason. Mr. Duke asked me what was the matter with this man. I replied that I did not know, although I had tried hard to find out; but that it appeared to me his dissatisfaction tended to disturb the *esprit de corps* of the district in which he was working. Finally, Mr. Duke directed me to send this man a cablegram, reducing his salary by fifty per cent. I asked Mr. Duke if he thought the man would resign. He smiled and said no, but that it would be a good test of his outlook upon life and his future usefulness to the company. The man did not resign. He accepted the reduced salary, but continued the complaints until his resignation was demanded some months later.

Mr. Duke's ability was such that he could suggest a policy for a country that he had never visited, which when carried into effect was successful. Once we were discussing the question

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of the advance in price of certain raw materials which go into the manufacture of cigarettes. He stated that it would necessitate a certain immediate advance in the price of cigarettes throughout the world and suggested that I send a circular cable authorizing the advance. I told him that I would consider the matter and reply the next morning. He was quite willing to give me twenty-four hours' grace to go into the problem.

A colleague suggested to me that this was a risky experiment, that if the advance in price caused the business to drop off, I would be blamed for it and might lose my position, and that I should know exactly to what extent the price could be raised without affecting the volume of the trade. This was at five o'clock in the afternoon. I set to work, and by ten o'clock the following morning I had the circular message made out to increase the price of cigarettes all over the world by the amount that Mr. Duke had mentioned. I made an exception of one particular brand. I went into Mr. Duke's office to give him the details. He advised me to be

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very careful, as I would be held responsible if the business did decline. I told him that I had proved my figures, and that I was prepared to take the consequences of sending the cable. The order was sent.

The next few days were anxious ones for me. I asked Mr. Duke frankly how he arrived at the advance in price without having made any calculations. In a few words he convinced me that he had already made the figures in his head. We were right. The business did not drop off; rather, it increased with the advance.

It was a pleasure to work with a man so able and one so familiar with the capacities of others. He seemed to know human limitations, including his own. He made mistakes, but never the same mistake twice. He was constantly striving to build an organization that could stand alone. On one occasion he asked me how many men I had working under me in the Far East, particularly in China, who could take my place if something happened to me. In a few minutes I handed him a list of twelve men, some of whom he knew, who could take my place so



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that the business would go on as well as before. Figuratively, I stepped out of my office handing someone else my power of attorney. After a moment's deliberation, Mr. Duke said that if I had trained twelve men to take my place, I deserved an increase in salary—and he gave it to me.

In the work of organization it often happened that a new scheme, which had been examined and found good, was to be put into practice. The next step was to find a man in the company who could carry out the scheme. Mr. Duke knew his men so well that, in going over the list of eligibles, if the proper person were not available, the scheme was abandoned or held in abeyance until such a person was found. Our part of the organization in later years found employment for more than twenty-five thousand people, who were handled in such a way that each felt that he had a personal interest in the business. Every man had a chance and was treated justly. It was an organization of consent rather than force. It is my experi-

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ence that nothing very big is ever accomplished by force.

Although Mr. Duke never visited China, the Chinese knew him well and often used to ask me about him. On one occasion, a Chinese schoolboy, who spoke no English, wrote an essay on the life of James B. Duke, which he read in his school. His essay, although brief, was very characteristic. He stated that Mr. Duke had started as a poor boy, had built up a world-wide organization, and that he was a good man, looking after the people and merchants who bought his goods. He said, also, that Mr. Duke was very popular in China and that he was building a home in New Jersey to which he invited the Chinese to come, when they visited America—all of which was true.

I had the essay translated and complimented the lad on what he had written. The boy started a collection among his friends, none of whom had ever met Mr. Duke. They gave sums ranging from a copper cent to five dollars. The money given by these three thousand Chinese was used to purchase two large lions carved in

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Ningpo, a town about one hundred and twenty miles from Shanghai. The lions were shipped to Mr. Duke's New Jersey home as a present, together with an illuminated address from his Chinese friends. Mr. Duke greatly appreciated this gift. Later, he authorized a substantial sum of money to be given to the Chinese Famine Relief Committee of 1920.

James B. Duke and his brother, Benjamin N. Duke, had one Chinese characteristic—filial piety. I have never known two men who so highly respected their father, Mr. Washington Duke. They constantly talked about him and put into practice the character-building precepts learned from him. I regard it as a privilege to have been associated with them and to have had a part in building up their organization. Although there were many rocky places in the road and many thousands of miles of difficult travel, I would gladly do it all over again, because I believe it was worth while. We had a purpose, and to-day any farmer boy of North or South Carolina or Virginia can have the satis-

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faction of knowing that the tobacco grown in his state goes to every part of the world.

I never heard Mr. Duke speak ill of anyone in my life. If any man in the organization was not getting along well, Mr. Duke assisted him to qualify in the position that he held. He knew and took care of his men. Moreover, he himself worked as hard as, or harder than, any of them.

It was a stupendous task to plan a business to cover an entire foreign country. To make this possible, very simple business methods were developed. The native merchant could understand them and see the profit he was making. The charge was often violently made that Mr. Duke was head of a trust and was seeking only to benefit himself. But I often used to think as I watched a native smoking his cigarette that nothing in the world he could have bought at the price would have given him the same amount of pleasure and comfort. The volume of our business testifies to this. Mr. Duke's theory was that it was just as important for the foreign merchant to make a profit on the goods sold as it was for him to make one. The result



Photo by Ewing Galloway, N. Y.

SMOKING CIGARETTES

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was that the native merchant who took up the sale of Duke tobacco continued to sell it. Also, it seemed absolutely necessary to create a good name among the Chinese, not only for the company but for the individual men who represented it. At the suggestion of Mr. Duke daily attention was given to this policy.

Another great factor in the success of the American Tobacco Company was its method of distribution. Cigarettes from the United States were sold from the company's own warehouses in the Orient directly to the native wholesalers and retailers. There were no middlemen. Practically speaking, the product went directly from the factories to the consumer. This enabled us at all times to see that the business was conducted so as to win the confidence of the people. We secured and safeguarded that confidence in every way, knowing that it and our own adaptability were valuable foundations of the business.

I have always thought that the amalgamation of the British and American tobacco interests revealed strikingly the force of Mr. Duke's

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personality. In the latter part of July, 1902, I had come down from Calcutta to Bombay, and, on August 3, I received a cablegram to come immediately to London. There was a ship sailing at noon the next day on which I succeeded in getting a berth. On arriving in London later in the month, I called at the hotel mentioned in the cablegram and was told that Mr. Duke was not stopping there. It was about ten o'clock in the evening, but I decided to explain about the cable and requested the clerk to tell Mr. Duke that I had called and was stopping at a hotel nearby. The clerk then asked me to wait while he sent my card to the room. A few minutes later Mr. Duke joined me. Doubtless the clerk had had instructions to admit no callers.

After a few minutes conversation about my trip, Mr. Duke told me that he wanted me to meet him the next day at twelve o'clock at a certain restaurant. At seven the next morning, he called at my hotel and said that although he would meet me at lunch, he wanted me, in the meantime, to arrange a sailing for New York by the first ship. As there were a good many

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Americans in London who wanted to go home, he said that I would very likely have a difficult time in getting passage. If no other room were available, he suggested that perhaps I could get standing room. I carried out his instructions, though I did not succeed until about nine o'clock that evening, when some one gave up a berth. I left the next morning for Liverpool.

The first I heard of the amalgamation of the British and American tobacco interests was the discussion in London. I kept what little I knew under my hat. But, arrived in New York, I was asked by some friends what I had heard. I replied that there was a rumor of the amalgamation being discussed, but that I did not know any of the details, which was perfectly true. I was ordered to return to London immediately. I had brought over a parcel of papers without knowledge of their contents, and I took back to Mr. Duke in London another parcel, of which I did not know the contents.

The amalgamation did take place, and I was introduced to a good many of our English friends. Among these British gentlemen was



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a young man trained in the tobacco trade, with whom Mr. Duke asked me to become acquainted. We went to lunch together, and on my return Mr. Duke asked me what I thought of him. My reply was, that I was certain that we could live together and that I regarded him as a man of great ability. Mr. Duke seemed to agree and gave him a promotion.

No sooner had the amalgamation taken place than Mr. Duke set to work to prove beyond peradventure of a doubt that he regarded the union as fostering not only American interests, but those of the consolidated personnel. He seemed to grasp the British point of view and handled all affairs in such a way as to gain the entire confidence of his new partners.

So far as I was able to judge, there never was any serious international ill feeling in the combined interests. The negotiations and conduct of the merger were always pleasant and agreeable. Mr. Duke's great personality was largely responsible for this. When he thought he was right, he never wavered. He was never swept off his feet. He went right on handling

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any question that came to him in a way that not only satisfied everyone, but also commanded the greatest respect for him.

Mr. Duke was a leader. His vision, foresight, and mercantile ability would have made him successful in any business he might have undertaken. The great enterprise, of which he must have been proud, was founded in Durham, North Carolina. It was put together so simply that it could be understood in any part of the world. His leadership and that of his associates made romance of merchandising. If nothing succeeds like success, neither is anything ever as bad as it looks. We found rocky places in the road, but they were only stepping-stones to the goal.

## CHAPTER IV

### SELLING CIGARETTES IN THE EAST

**I**T IS fascinating to have something to sell, with the world for a market. The cigarette finds such a market. The task of working out a system of economic distribution of cigarettes in the countries which I visited was one that interested me, for I could daily see the results of my work. Cigarette smoking is an international language, so to speak. In America, we speak English; the Chinese speak Chinese; the Indian has his own language; each is different. But all smoke cigarettes.

We adopted the plan of shipping cigarettes directly from the factories in America and England to our wholesale dealers in the East and of selling through them to the retail dealers. The retailer purchased from our depots the goods he needed from day to day, for which he paid cash. This prevented his having any shop-worn or damaged supplies. The reports from these depots throughout China gave us information regarding the purchasing power of the

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people, the crops that they grew, and the general condition of the country; all of which assisted us greatly in regulating the stock of goods to be carried at any given point. If business was bad in one town, it was probably good in another, and the average was satisfactory.

This system of distribution worked well. In organizing the scheme, we found it necessary to become acquainted with people in all the towns where depots were located. These towns were quite close together. We adopted the broad practice of always taking up and investigating any complaint made by a client of the company. Whether we thought the complaint valid or not, we settled to the satisfaction of the customer. We did this in order to retain his confidence, on the assumption that confidence largely rules the world. We had no fixed plan of organization in the beginning, but by using good judgment, we attempted to meet as nearly as possible the conditions of the different districts we supplied with cigarettes. We tried to observe the local commercial etiquette and to deal so that our clients could thoroughly under-

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stand and approve the system of marketing. It is a remarkable fact that in establishing this organization and later in pursuing the business vigorously, we never had a law suit with a customer.

One of our principles was to try to improve living conditions in any country where we were distributing our products. Once I was in Shantung Province with a very intelligent Chinese gentleman, named Tein, who was in the employ of the British-American Tobacco Company. It was summer, and that part of China was very hot. We were sitting under a tree having our midday meal, conversing about the country, its people and customs. At that time Shantung Province was considered one of the poorest in China. While we were talking, a big strong young native, about twenty years old, passed us pushing a wheelbarrow. The wheel of a Chinese barrow is about three feet, six inches high and is so built that a perfect balance of the wheel can be made by the man pushing. Mr. Tein remarked: "See that young man? His ambition in life is to push that wheelbar-

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row. No doubt, his father before him did the same thing. If it were possible to educate that man, it would be a splendid piece of work and would be of great benefit to the country." I replied: "Why not start a school right here?" He agreed to assist me.

We bought a piece of land and gave out notice that we were going to build a school for the sons of the farmers in that district, and that if the farmers wished to do so, they could contribute brick, lime, or anything that they wished. We added that when the school was built, it would belong to the farmers and their children. No sooner had this notice gone out than the farmers commenced to bring in all sorts of materials. The school was built with a brick fence around it and a dormitory in which the boys were to live. Each pupil was provided with a uniform. On the campus, which comprised about four acres, was put a flag-pole. The Chinese flag was run up every morning by the boys and brought down by them every evening with due honors. Competent teachers were engaged.

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The school started with about forty boys. The second year the attendance went up to over a hundred; in the third there were one hundred and seventy-five pupils, and a new building had to be erected. This school was under the supervision of the government, was visited by influential Chinese, and was held in high esteem by them. Mr. Tein was always very proud of the place and was highly regarded throughout the school district. The boys were given positions as soon as they had mastered what the school could give them; viz., a good sound elementary education in Chinese. The school was provided with books, and on occasion lectures were given on different subjects, but principally on agriculture, seed, and fertilizers.

This school was such a success in every way that another was established in a town about two hundred and fifty miles away. The company maintenance of these schools rounded out a program which is still most effective. For instance, we took a boy off the farm, gave him an elementary education, found him a position

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with the company, and assisted him in general to improve his lot. The boys thus educated have proved to be useful young men, taking a hand in developing their country.

When I first went to China, Korea was a part of that great country. On my arrival in Chemulpo, Korea, in 1897, my objective was Seoul, about fifty miles away. I did not speak the language, and there was no railroad. My transportation had to be by pony. I engaged one and a man to go with me; the cost of both was a dollar and a half. Near Seoul I had to pay two and a half dollars ferry boat charge. I made this journey in one day, starting about four o'clock in the morning. By and by the sun came up, giving me a chance to view the topography of the country. There was very little vegetation, no trees in fact. It was a lonely road, and after riding for some miles, I decided that I would walk.

I walked a good portion of the way, arriving in Seoul about nine o'clock that evening. I had quite an argument with the officer at the city gate as to whether he would let me in for the



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night. I spoke no Korean, Chinese, or Japanese, but endeavored to pantomime to the officer that it was necessary for me to get into Seoul that evening to a hotel, where I would spend the night. I tried to explain that early the next morning I would try to have my passport visaed, etc., but made no progress with the man, simply because he did not understand me, and I did not understand him. While this was going on, a Frenchman came up and saw my predicament. After a few words with the Korean official, spoken in Korean by the Frenchman, I was welcomed to the city in a most hospitable way, and my friend very kindly piloted me to a little hotel, where I was made comfortable for the night.

In those days Korea was referred to as the Hermit Kingdom, the white-garbed nation of the earth. The outer world, particularly Americans, knew very little about the country. Koreans all wear white clothes made from Chinese grass cloth or ramie. To make them comfortable in winter, they simply pad them with cotton. When Russia attempted to extend her influence

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in Korea, Japan became so alarmed that she declared war against Russia in 1904.

After being in Seoul for a few days, I made the acquaintance of the American minister and his staff, who very kindly introduced me to their friends and to Korean merchants. I succeeded in introducing our cigarettes into Korea in about three weeks. Some years afterward a factory was established in Chemulpo, which not only made cigarettes from tobacco grown in the two Carolinas and in Virginia, but also others from Korean tobacco.

In our great mercantile undertaking, we attempted to keep our hands on anything that happened in the countries in which we were. This meant acquainting ourselves with the laws and commercial etiquette of the people.

During the Chinese Revolution some missionaries reported to me that they were out of touch with Sianfu, a city far in the interior of the country, where they had thirty-nine co-workers. They wanted to know if I could assist them in getting these missionaries out. Their proposal excited my interest. I selected

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one of our men in whom I had great confidence to go out to Sianfu, a twelve-day's horseback ride, and told him to locate the missionaries and bring them back to Peking. Through the government telegraph I got into communication with a town twenty miles from Sianfu. The telegraph administration there consented to send a man into the city to see if the missionaries were still there and, if so, whether they were being cared for.

Meantime, our man was on the road to Sianfu. I received news that, though these interned missionaries were being looked after by Chinese officials, they were very anxious to get away. On arriving in Sianfu, our man called on the officials to arrange for the missionaries to leave. He brought them back to Tai Yuan Fu, Shansi Province, where I had arranged with the government to have a car and food for them. From here they went to Peking at our company's expense. In this connection, I might add that the Chinese government made no charges for the railway transportation of these people and other assistance given me.

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We were more than once in a position to rush welcome aid to missionaries, because of our contact with Chinese government officials, who had sufficient confidence in us and our representatives to assist in any way that they could. In the province of Szechwan, which borders on Tibet, there is a prosperous, well-laid out town on the Chente plain called Chentefu. Once a number of missionaries who could not get out of this town enlisted the help of our company. Immediately we organized a scheme by which one of our trusted employeés went into Chentefu and brought the missionaries safely back to Chungking.

In passing, I want to mention the resources of Szechwan Province, which has a population of 75,000,000 people. It has little contact with the rest of the world and is to all intents and purposes a self-contained country. One often finds in this mountainous province a person fifty years of age who has never been twenty-five miles from home. The people could easily live on what they produce in so far as food, clothing, etc., are concerned.

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In my travels I kept a memorandum book in which I made detailed notes of the products of various parts of the world. Sometimes these notes were useful as an index of the purchasing power of a people. I remember noting a Chinese substitute for flax, a very strong fiber called ramie, or rhea. They make this fiber into a grass cloth which is used for clothing, table linens, and other goods exported to almost all parts of the world.

From Szechwan Province is shipped the finest class of goat skins. These bring a price of about one dollar a pound and are used in making ladies' slippers and gloves. A large quantity of bristles used in making brushes is also exported. The Szechwan bristles are of very superior quality.

The Yangtse and Yellow Rivers rise in Tibet about one hundred miles apart and flow in different directions to the sea. The Yellow River, which often floods, is called "China's Sorrow." The Yangtse is the larger of the two and is navigable for about two thousand miles. Boat traffic between Ichang and Chungking, a dis-

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tance of three hundred miles through the gorges of the Yangtse, has been going on for centuries. Most of the boats going up river are drawn by workmen tugging ropes fastened to the craft. Sometimes fifteen hundred Chinese work to pull one boat up the river. In recent years the stream is being navigated by powerful steam-boats, but they have very little cargo space, and most of the traffic is by the old method.

At Chungking, when the river is in flood, it is one hundred feet higher than at other times. The fall in level between Chungking and Ichang is about three hundred feet. The volume of water passing through the gorges makes it almost a mill race. A preliminary survey has shown that at least ten million horse power could be developed on this river between these two towns, but nothing has been done toward developing it. I suppose that some day this power will be developed, and when it is, it will be sufficient to run a railroad at least two hundred miles long and at the same time to supply power for a great many factories.

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In the province of Kansu one journeys for forty-five days by horseback, cart, or camel from Kalgan to Lanchowfu. The country is sparsely populated, but the people are quite friendly and reliable. Lanchowfu is on the Yellow River, and when that river is in flood, wool, hides, and skins are tied up in round bales, the outer covering of which are made from cow hides fastened together securely so as to resist water. These buoyant bales are thrown into the river and rolled down the stream. When they reach their destination, several hundred miles away, the wool, hides, skins, and other products are taken out, dried, put in order, and marketed. It is very difficult to get produce out of Kansu by any other way. I have seen excellent wheat sell there for thirteen cents a bushel, when it was bringing a dollar and ten cents at the seaport fifteen hundred miles away.

In passing through Kansu once a good many years ago, I noticed that licorice root grew wild almost all over the province. Knowing that the United States drew its supply of licorice root

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from Spain and Turkey, I assembled a few bales of the Kansu product and shipped them to America to have the quality tested. It was found to be good, but the cost of transportation from Kansu was so much greater than it was from Spain and Turkey that nothing was done toward exporting Kansu licorice. However, when the Great War broke out in 1914, and no further supply could be had from Turkey, I received a cablegram asking me to what extent I could furnish licorice root from China. With my first-hand information of the sources of the supply, I was in a position to ship one thousand tons of the stuff within a week. Six months later fifteen thousand tons more were sent, making the American users of licorice root practically independent of the European markets. So the company felt fully repaid for my earlier attempt to find buyers for this Kansu product. We were often able to furnish information with regard to the location, price, and quantity of various raw materials of the countries in which we did business. In the last



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analysis, merchandising is glorified barter. If we sell, we must buy.

I have been in places where I handed an American cigarette to a man in the street, only to have him bite it, trying to find out what it was for. When I discovered this, I immediately engaged someone to teach him how to light a cigarette with a match and how to smoke it. I paid this teacher to walk up and down the street lighting cigarettes and handing them to people he met. This demonstration work was followed by attractive advertising, which was planned to give the man who read it in his own language a clear idea of the pleasures of cigarette smoking. We tried to make these advertisements so attractive that people would decorate their homes with them, something they had never thought of before.

No one, perhaps, can ever realize the thrill I received in this work. I felt that I was building a structure that went straight back to my native state, one that would help the farmers there. Out in China, when I thought of North Carolina, I would have been willing to

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pay any price within my limited means for corn bread, salt herring, and black-eyed peas, the food I was accustomed to eat at home. Later on I brought these out with me. I made no complaint of the fare I received in foreign countries, but the food at home had left an impression that was lasting. I used to think that the food I ate as a boy was so good that there ought to be a law passed preventing its being shipped or sold—it was too good to sell. Although in the Eastern countries I could get practically all of the things to eat that I had known at home, they were not cooked in the same way and did not have the same taste. I longed for the chicken pies of my boyhood days. But the irony of the whole thing was, that when I came back home on a trip and ate the family chicken pie, it did not taste as good as the pie I had had elsewhere.

I have said before that James B. Duke knew men. A great many of those he trained learned to know men also. A close record was kept of all members of the staff: their general bearing, impressions they made in business or social

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contacts, their rendition of reports, specific abilities, and past achievements. Errors of judgment were recorded, as were indications of what a man could do in a crisis. The men knew about these records. We discussed a man's limitations and abilities with him. The record was brought up-to-date every six months and enabled the company at any time to select an incumbent for a specific position. It was as if we had a photograph of a man, with his character, habits, and ability. The records often told curious stories.

Once we had, working in the same building, two good, able men who could not agree. There was always a difference between these two, but I could not discover what it was all about. However, when the state of affairs began to disturb the *esprit de corps* of the office, I called these two men together one morning and asked them what was the matter. I regretted to have to tell them that I thought their disagreement was affecting the *esprit de corps* of the business. I also said that the business had succeeded before they came and would continue to

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succeed if they left; but that I hoped they would be able to come to some understanding at once. I proposed that we adjourn for thirty minutes to give them an opportunity of talking together privately.

At the stated time, they returned to my office, shook hands, and promised that I would have no further cause for complaint. They said that they realized the justice of my position and that they had settled their differences. I asked them what was the misunderstanding. I believed that it had never amounted to much. In fact, I knew all the time what the trouble was, but I hesitated to say so. It proved to be just as I thought. The wives of these two men were not friendly. If one bought a new dress, the other told her husband about it and insisted on having a new dress also. The attitudes of these women were reflected in their husbands, causing a situation which almost cost them their jobs, which neither of them could afford to lose.

I have often coöperated with a young man, giving him the benefit of what I and his associ-

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ates knew, until he was well qualified for his work. Thus he came to know the world, people, conditions, and the business. Then, after years of work, I have seen him throw all to the four winds when he married; though, of course, he did not realize it. I have worked with men of ability whose failures I did not at first understand. I recall one man of ability, a man who never seemed satisfied with his position and did not hesitate to say so. He did not realize that his colleagues knew his ability as well as, or better, than he did. He was very positive about the position that he thought he should hold and was disappointed when he did not get it. I never understood him until I was invited to his house to dinner. The conversation centered on our business. His wife pointed out to me what she considered errors of promotion in the company and criticised severely one in particular. She did not think that the man in question deserved promotion; whereas her husband, who had much more ability and had proved his worth, should have been preferred. She said that she had been telling her husband this,

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and that she thought he had made a mistake in not taking up his grievance directly with the heads of the business. She had gone so far as to write to a friend of hers to get in touch with one of the home directors to put her husband's case before him.

This was all discussed at dinner and revealed just why I had been invited. The food was excellent, so I enjoyed myself nevertheless. My private opinion was, that if her friend saw the director at home, he would refer the matter back to Shanghai, where no action would be taken, bringing the company into further disrepute as far as my hostess was concerned. Certainly, every woman thinks her husband is the greatest man alive. If she doesn't, I think that she should. But the point is, that a man reflects his wife. I have often misunderstood a man until I met his wife; whereas, on meeting her, I could instantly account for certain points in his character and habits that had previously puzzled me.

When I first went to Calcutta, I was told that the proper thing to do was to pay some

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calls. The gentleman who suggested this to me gave me a calling list prepared by his wife. While making another visit later in the afternoon, I was given a different list. I was in a dilemma as to which I should use. I knew no one, but wanted to do the proper thing to establish my social status. After thinking the matter over for several days, I decided that I must take some action. This meant donning a frock coat and top hat (frock coats were in vogue in those days) and paying these calls between two and four in the afternoon, a hot time of day in Calcutta. I chose a beautiful afternoon, hoping that everyone would be out, and I could simply leave my cards and go on. I guessed right. In making twelve or fifteen calls, I found only two ladies in. At the first house I visited, I found the lady who had sent me the first of my lists. There were no other people there, though it was her day at home. She was very glad to see me and served the usual cup of tea. She advised me not to call on anyone whose name was not on the list she had prepared.

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However, in a spirit of fairness, I called on a lady from the second list and found her at home also. She was not as formal as the other woman, and said that she felt sorry for a man who had to pay calls in the Calcutta climate dressed in a frock coat; but that everybody conformed to the custom. I asked her why some lady in Calcutta, when announcing her "at-home" days, which were usually twice a month, did not suggest that the men come from their offices in business dress. I said that it took me all morning to get dressed to pay an afternoon call, and that when I did go, I was uncomfortable. I added that informal dress for such occasions would probably be very popular with the men. She laughed, but adopted the suggestion. At her next "at-home" there were over a hundred men, though she was frank to say that previously no more than four or five had ever called.

Most of the Far Eastern representatives of the company in the early days were recruited from North Carolina and Virginia. There was no rule about this, but as most of the company's



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men at home came from these two states, they knew where to find assistants who from infancy had cultivated, cured, and manufactured tobacco, so that it was a second nature to them. In addition, these farm-bred boys were healthy, well-reared, and had a background of good character and good habits. They usually worked into the business very satisfactorily indeed.

The term of service in China was four years, following which a man was given four months leave of absence to visit his family and friends back home. When he returned from his vacation, the boys from his part of the country gathered around to hear the news. The boys always took something from China to the home folks and brought back from home something to the others. This fostered a sort of community interest among the men in China.

There was some rivalry among them, however, as to the places from which they came. Each insisted that he was from one of the larger towns in his state. Once when this subject was being discussed, one young North Carolinian asked another from what town he

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came. "Durham," the second boy replied. However, after some urging, he admitted that his birth-place was Rock House Creek. The first fellow said: "Well, I knew that all the time." It was a peculiar thing that most of the boys claimed to come from big towns, though, as a matter of fact, most of them grew up in a small town, which I shall call *Dullsboro*. But what difference, so long as they came from North Carolina or Virginia!

This reminds me of a remarkable young Virginian, named Thomas Flournoy Cobbs. He told us that his native town was Danville; then he said he was from Chatham; but after an investigation, we found that he really came from a rural community in Pittsylvania County on Turkey Cock Creek. His father was an influential man, operating a successful farm. He was something of a politician. At any rate, he was appointed consul to Colon and took his young son, Tom Cobbs, with him as first secretary of the consulate. The climate of Colon is very trying, and the elder Mr. Cobbs did not like it. After being there a few months, he

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went back to Virginia, leaving his son in charge. Business was very limited in those days, and there were few Americans in that part of the world. So Tom Cobbs filled the office of acting consul creditably and was later made consul. He had the usual library supplied by the United States Government and had read enough in it to enable him to refer to "page four, paragraph nine fifty-six, of the Revised Statutes of the United States." Tom was a good talker. Visitors usually left the consulate without having received a direct answer to their questions, but perfectly satisfied that everything was going on all right.

After being in office at Colon for some years, Tom decided to seek fortunes new. He and his partner had read in the papers about the gold discoveries in the Klondike. Tom had a pal who was his partner and with whom he kept a unique joint account. At the end of the month when they received their salary checks, they cashed them and put the money into a lock box. When Tom needed ready cash, he went to the box, counted the money, took out fifty dollars,

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let us say, putting in an I. O. U. for it. If his partner wanted fifty dollars, he took out that amount and tore up Tom's I. O. U. This balanced the cash again. It was a simple but effective system.

These two decided to go to Klondike, still working as partners. On their arrival in San Francisco, they found that a ship was soon to leave for that far-away frozen region. The steamship fare was two hundred and fifty dollars each, an amount they did not have. However, they got in touch with the Captain of the steamer and convinced him that they were qualified accountants. For a consideration of thirty-five dollars and their agreement to assist the purser in making up the accounts for the voyage, he gave them passage. For sleeping accommodations, they had the back of a seat in the saloon, which was pulled up for them at night. This made little difference to them, as their chief objective was Nome and gold.

In Alaska they soon located a placer claim and set to work to wash out the gold. The first few days they were very successful and found

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quite a snug little amount of the pure metal. But after a few weeks, the placer petered out. As they had about decided that they were not gold miners, they returned to New York. Here it was necessary for them to get work at the earliest possible moment. This brought about the dissolution of the partnership. However, their accounts were not difficult to settle.

Tom Cobbs found a position which sent him out to China to join me. He set to work immediately and soon had a large acquaintance. In the course of a few months, he found another boon companion. They rented a furnished house and went to housekeeping. At Christmas time about twenty of Tom's friends were invited to dinner, which was prepared and served in good old Virginia style with roast turkey, ham, cranberry sauce, celery, and everything that goes with Christmas dinner. Although we were far from the pie belt of Virginia, we had pie. I can't remember whether it was thirteen pies or thirteen different kinds of pie. As it was Christmas, Tom insisted on carving the turkey and ham himself. He was a

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genial host, talking most of the time. At intervals, he would pick up the steel and whet the carving knife. At the end of three quarters of an hour he had served eighteen people and sat down, leaving me and another guest without anything to eat. When his attention was called to the omission, he apologized profusely. We were served, and the party was on.

That evening Tom grew reminiscent and insisted on giving us an outline of his career. At the beginning he stated that he was twenty-six years of age; that he had been born in Virginia, had been United States consul at Colon for so many years, a gold miner in Alaska for so many months, and in school for so many years before coming to China. As Tom told this story, it was perfectly clear that he was a man of great ability and foresight.

Before the dinner was over, I was asked to make a few remarks. As I remember them, they were somewhat as follows: "I am always at a disadvantage when called upon to make an after-dinner speech. If I am warned in advance, I lock myself up in the library for two

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or three days and am cross to everyone around the house. If I do not receive notice, I am unable to eat my dinner for fear that I will be asked to say something. In this instance, gentlemen, Mr. Cobbs anticipated my feeling and gave me no dinner until I asked for it. And if I am not asked to make a speech, I am made uncomfortable by feeling that I really should have been asked.

“Virginia, the great state of Virginia, from which our host hails, claims many remarkable men. She is known throughout the world as the ‘mother of Presidents.’ (I was using my best oratorical effort, which I thought the occasion demanded.) Our host has told us of his most interesting life. But try as I may, I can hardly reconcile his career with his being only twenty-six years old. We all know when he came to China. If he was at school, consul at Colon, and a miner in the Klondike for as long as he says, I find in putting his figures together the astounding and remarkable fact that Mr. Cobbs was only four years of age when he was United States consul in Colon.” I had used his

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own figures; he finally had to qualify them and admit that he was now past forty years of age.

Cobbs knew everybody and was very popular. His resourcefulness brought him through many hair-raising adventures. In New York on one of his trips home, after five years in China, he first saw motor cars. They interested him enormously. He found a salesman, and after riding about New York streets for a couple of days in a motor car, he bought three and shipped them out to China. Pending his return, they were put into a storage warehouse.

The very day he got back he had one unpacked. He had quite an audience to see the car put together and to watch the necessary preparations for a ride around the city. He explained to us the technique of the car, using such words as tonneau, chassis, chauffeur, and carburetor. I decided that he was employing these high-sounding technical terms just because we didn't know what they meant. Eventually, the car was ready, and he asked a friend to ride with him. The invitation was accepted. Tom began to manipulate the machinery, and pres-



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ently the car jumped. For a moment he lost control of it, but got it out onto the street and turned it sharply around, only to hit five or six rikishas, which he mowed down and broke up amid the yells of the rikisha men and the fright of his friends. In the most complacent manner he explained that everything was all right, but that the carburetor was not working very well.

It was quite an event, this motor car. Tom invited our very worthy United States Consul-General in Shanghai to take a ride with him. They started out to the Gun Club, with some of the rest of us trailing along behind in a buggy. Cobbs was explaining the car to the Consul-General—what it would do, its mileage per hour, and that sort of thing—when, about half way to the Gun Club, they came to a turn in the road. I don't know whether the road was at fault or the car, but something went wrong, and the car ran into a ditch, pitching our Consul-General over the windshield onto the far bank, where he landed on his stomach. We ran up and, after seeing that the Consul-General was not seriously hurt, assisted in pulling the car out of the ditch.

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I told Cobbs that I didn't care what he did to the car, but that I would hate to see him kill our Consul-General. Tom was not to be outdone. He got the car back on the road and finally landed at the Gun Club. As time went on, he learned to manage the car without any difficulty.

Another story gives an insight into Cobbs' ability. Just after the Russo-Japanese War, he was on the Yellow Sea in a ship. One fine morning a contact mine was sighted just off the port bow, and quite a commotion ensued on board. Cobbs immediately took charge, instructing the passengers to keep perfectly quiet and to stand close up to the deck house. He quickly opened his gun case, which he always carried with him, and took out one of his prize guns. By good luck he hit the percussion cap first shot, exploding the mine. Then he ordered the ship to proceed. This was another of his hair-breadth escapes, none of which ever interfered with his loyalty to the company and his ability to distribute cigarettes.

The entire staff traveled a great deal, thereby becoming quite familiar with ships, both mer-

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chant and naval. We came to know many of their officers, whom we always enjoyed meeting. A sailor on an American warship resents being called by any name ending in "ie." Call him a "Jackie" or a "Tommie," and he is ready to fight anybody. Just why this is, I do not know, but it is nevertheless true. But call him a "gob," and he will be pleased.

During the revolution in China a considerable part of the United States navy came to the Chinese coast to protect American lives and property. Lying in the harbor at Shanghai was an American naval vessel, whose officers we knew very well. There were two ensigns, very fine young boys, who had just come out of the Naval Academy to their first sea duty. They were great friends. I will call them Ben and Bob.

The daughter of an officer on one of these naval vessels on the China coast was staying in Shanghai with her mother. The girl was very good-looking and popular with the young naval officers. Wishing to pay her a nice compliment, I decided to give a party in her honor.

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For this occasion I asked the Admiral of the fleet to lend me his band, which he very kindly did, and I invited about fifty people, including Bob and Ben. On the day of the party, the Captain of the ship on which they were stationed notified Ben that he was to be officer of the deck, his duties to commence at four o'clock in the afternoon. This would prevent Ben from attending the party. Bob heard about the appointment, and about five o'clock in the afternoon he came along the deck, found Ben on duty, and requested a loan of five dollars. Ben said: "No, why should I lend you five dollars to go ashore to see my girl?" Though Bob didn't get the five dollars from Ben, he did get it from one of the other officers. Putting on his full-dress uniform, he went ashore in a barge to attend the party.

No sooner had he left the ship than Ben went to the Captain's cabin and reported that Ensign Bob had gone ashore without permission of the officer of the deck. The Captain told Ben to notify Ensign Bob to be at the mainmast next morning at nine o'clock for discipline. About

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two o'clock that night, Bob came aboard and said to Ben, who was still on duty: "Well, I went ashore to see my girl and had a good time." Whereupon Ben notified him of the Captain's order. The next morning promptly at nine, Bob came to take his discipline. Ben was standing over to one side behind a boat where he could hear everything that was said. He seemed quite satisfied with the punishment Bob received.

Bob married the young lady. Some three or four months later, from a ship still a thousand miles or more away from Shanghai, I received a cable which read as follows: "Married a widow with one child today. Ben." I sent congratulations by return cable, which I followed by a letter saying that if his bride should come to Shanghai, he must let me know, as I would be very glad, of course, to meet her and do whatever I could to make her visit there enjoyable. Two or three weeks later I had a letter from him saying that his wife was coming to Shanghai. I met the lady at the wharf and called her by Ben's name. She said that there must be

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some mistake, that Ben was married to her daughter. She was very eager to know how I made the mistake. I explained about Ben's message to me. In his enthusiasm to let me know that he was married, he had worded the cablegram somewhat ambiguously, which is often done.

This reminds me of a very reliable young man whom we had in charge of a factory in Johannesburg. He thoroughly understood the manufacture of cigarettes and had the respect of the company and of his colleagues. The head of the business in that district lived in Cape Town. Early one morning he received a telegram from the manager of the factory in Johannesburg, which read as follows: "Five unsuccessful attempts to burn the factory." The telegram, written in plain English, was signed with the manager's name. A few hours after he had sent the telegram, he received notice from the insurance company that all the insurance had been canceled. Following this, the police called to put him under arrest. It seems that there was a strict censorship on all

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telegrams being sent from Johannesburg to Cape Town at that time. No sooner had the telegram been sent, than a copy of it was given to the police, who jumped at the conclusion that the manager of this factory himself had made five unsuccessful attempts to burn the factory the night before. What he had intended to say was that someone else had made five unsuccessful attempts to burn the factory of which he was manager. It took two or three weeks to convince the police that he was not the culprit, but his innocence was finally proved. This goes to show how particular one must be in writing letters or telegrams. In this case it was necessary for the company to transfer that manager to another part of the world, although they were confident of his innocence in this affair. A new manager was installed, and the insurance was immediately renewed.

In our work we came into contact with a great many consular officials, with many of whom we became well acquainted, so much so that we felt free to call upon them in case of necessity. In return, we gave them a good deal

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of information regarding conditions in the country through which we had traveled and general information which assisted them in writing their reports. One whom I remember was an appointee of President Roosevelt, who had assigned him to a position in Zanzibar, as he was quite an authority on big game hunting. After being in Zanzibar for several years, he was transferred to a consulate at Chungking, a port two thousand miles up the Yangtse from Shanghai. Wanting a little vacation from Chungking, he came down to Shanghai, and we gave him a dinner. He had been very kind to our young men located at Chungking, so we wanted to meet him and return his hospitality. The dinner was graced by several American government officials. During the course of the dinner, the former Consul at Zanzibar told us of his experiences in big game shooting in Africa.

On one occasion he had started out from Zanzibar with his caravan of about two hundred natives. When they reached the plateau country about two weeks later, a native carrier informed him one day that they had run out of



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meat. The Consul became very indignant at this information and reprimanded the carrier for not letting him know earlier that they were running short. That night, however, he collected his rifles and with his party made plans for a hunt. Starting from the main caravan about four o'clock in the morning, they went across the plain in search of big game. During the day they killed several hippopotamuses, rhinoceroses, giraffes, elephants, and tigers, which they immediately dressed, taking the meat back to the caravan, which proceeded on its journey.

The man told this story very interestingly. One of our company, who was also something of a big-game hunter (I refer now to Tom Cobbs), asked the Consul how much the hippopotamuses had weighed and the weight of the other animals he had killed. The Consul gave him the approximate weight of each of these animals. Cobbs totalled the amounts and found that the meat weighed over seventy-five thousand pounds. He asked the Consul how it was possible for him with only two hundred bearers in his caravan to have this meat dressed and

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transported. This question somewhat embarrassed the gentleman, so that he qualified his statement by saying that they took only such portions of the meat as they wanted, leaving the hoofs, horns, and hides of the beasts. We had a good laugh at this. Really, there was no reason to doubt but that the Consul had killed a great many wild animals. We were so much pleased when this man informed the party that our cigarettes were being smoked not only by himself, but by his two hundred carriers that we forgave him for the enormous quantity of meat that he killed, which he no doubt found sufficient for his wants, not only for the remainder of his journey, but for the return to Zanzibar as well.

Meeting all kinds and conditions of men, one is impressed by the great differences among them in character, habits, mannerisms, and customs. In the early days of building up our force in the Far East, we employed only unmarried men twenty-five years of age or younger. It seemed unwise to take them over this age or married. We felt that a married man would be

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handicapped working in the interior of the country, since his wife could not go all the way with him. But as the business grew, times changed. These young men's salaries were increased, and when they went home on leave, matrimony came into the picture. The wives of most of these young men were what I call "Ruth's-appeal-to-Naomi" wives, women who were willing to leave their homes, go to a foreign country, and take a chance on making a success there.

Nothing that I know of will cause a young man to brush his clothes more carefully than becoming interested in a young woman. We could always tell from a boy's preparations to go on leave whether he was interested in a girl at home by the clothes he bought and the way in which he had them pressed. We pictured to ourselves just what he would do and say when he reached home and met her. For aught we knew, it would be in the parlor of her home. Under a shaded light, she would play the piano, giving him an opportunity to propose. This is the way he dreamed of it, but as nearly as I

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could find out, he actually asked her at a picnic or at a party.

Usually the boy who married while at home on leave cabled the news to us. On his return with his bride, we gave him a party. Preparing for these receptions was one of our favorite diversions. We always gave the couple a useful wedding present. In this connection I may say that I always gave the *Autobiography of Benjamin Franklin*. Though the gift was accepted, it was never very pleasing to the bride.

But to get back to the differences in men. My belief is that environment plays a large part in determining them. The influences of the formative years of a man's life always show later. Youthful impressions are lasting. In selecting men to fill foreign posts, this matter of environment was always taken into consideration. A strict and fair analysis of a man's deportment, ability, character, and habits was written up every six months. If at the end of a year, he did not average two and a fourth out of a possible five points, we found by actual experience that it was not wise to retain his serv-

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ices. In the long run, the proportion of men retained was two out of five. That is, if five men accepted a position in the company at the same time, at the end of one year usually three of them dropped out because they were not able to measure up to standard. The principal cause of the failures seemed to be that the men lacked self-reliance and continually complained about circumstances over which they had no control. They wore themselves out, so to speak, by not accepting conditions as they found them and making the best of things.

I always had a distinct aversion to increasing a man's salary, regardless of what it was, unless he had saved a portion of his earnings. My reason was, that if a man saved his own money, he would save the company's money. Thrift always shows. No one ever had to ask me for an increase in salary if I knew he deserved it. I always made it my business to find out who was and who was not deserving. From long observation, I should say that the man who asks for a raise in salary is the one who is not saving any portion of it.

## CHAPTER V

### CHINESE BUSINESS METHODS

I HAVE always had a very high regard for Chinese merchants. They have a fine sense of commercial ethics. Once having established a business connection, they are quite faithful to it. They trade with each other month after month in perfect confidence. Running accounts are kept right through the year, and at New Year, when the difference is settled, it seldom amounts to more than a few dollars. A merchant in the interior of the country shipping produce will order supplies through the dealer who sells his goods. If a particular market declines, leaving a Chinese merchant well-stocked with wares bought at a higher price, he usually sells them at the best price obtainable, takes his loss, and re-invests the money in merchandise on which he can make a profit.

These merchants do business on a very small margin, but most of them make some profit. I never experienced a loss at the hands of a Chinese merchant. His bills are paid promptly in

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strict accordance with the terms of the agreement. He knows his markets well; what will sell and what is the value of the produce grown in his district. The most serious mistake one can make with him is to sell him something for which there is no demand or to sell him more goods than he should buy at one time. In fact, it is bad salesmanship to oversell a merchant in any part of the world. However, very few Chinese merchants overbuy.

Chinese business houses are very effectively organized. There is a manager whose decisions rule the entire business. The clerks are paid low salaries and are furnished living quarters and food at the expense of the firm. At the end of the year a percentage of the net profits is divided among the entire force, from the highest to the lowest. This promotes a good *esprit de corps*; at the same time, it helps to eliminate carelessness, for the members of the staff know that it behooves them to prevent waste or useless expenditure in order to increase their bonus at New Year.

The Chinese have very few business holidays.



**MR. CHEANG PARK CHEW**

**MAN OF AFFAIRS AND CHINA'S LARGEST TOBACCO MERCHANT**



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The Dragon Festival in the spring and the Autumn Festival in October are general holidays, observed throughout the country. But at Chinese New Year all business stops for ten days. The Chinese prefer having their holidays all at one time to having them scattered through the year.

Chinese merchants like to know their credit rating with the people from whom they buy. A merchant in the far interior of the country, with whom we had been doing business for some years and of whose account we thought a great deal, once asked me if I would make him a loan of ten thousand dollars or credit him with that amount. As he had always paid cash for his goods and owed us nothing at the time, his request came as a surprise. However, I told him that we would be very glad at any time to allow him that amount. Whereupon, he replied that he did not need the credit. He merely wanted to ascertain how much confidence we had in him. He was very much pleased by our willingness to allow him ten thousand dollars and repaid our confidence by opening a cash credit of

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twenty thousand dollars in his favor to be used for the goods he later ordered as needed.

When the confidence of a Chinese merchant has been gained, business can be carried on in a routine way without any fear of loss. For him to go into bankruptcy, which is seldom done, is a disgrace, not only to the merchant but to his entire family. A dealer who does not pay, or cannot pay, his obligations at New Year is also in great disgrace. I have known merchants who mortgaged everything they had to meet their payments at that time. By doing so they were able to continue in business. When a Chinese merchant does go bankrupt, his place of business is immediately closed. Large posters are put on the front door, naming his creditors with the amount he owes each and the probable value of his assets. Anyone walking along the street can see the exact financial condition of the bankrupt in as much detail as his banker. In many parts of China it is also a disgrace to sell family land. The popular feeling is that land handed down by one's forefathers constitutes a trust, which a man betrays if he disposes of it.

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The Chinese love to speculate. They trade in grain, hides, skins, all kinds of produce, silver, and gold. When buying produce, they get it direct from the farmer at the market price and take a chance on an increase. The Chinese speculator, however, is in that business only. One seldom sees a Chinese merchant who speculates, except the grain or bullion merchants, who confine themselves to their particular field. It seems to be a part of the Chinese nature to bargain. No sooner has a tentative understanding been reached between two parties than often one of them will inject into the agreement something not mentioned before, hoping to make a better bargain.

Most of the businesses are conducted by partnerships. The Chinese are not yet generally familiar with joint-stock companies, conducted in a thoroughly systematic manner, and paying regular dividends. There are, however, a growing number of companies organized on this basis. As the Chinese will invest their money very freely if they know that the investment will pay regular dividends, joint-stock

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companies, issuing bonds and preferred and common stock, will bring out of hiding a lot of money which is now being hoarded.

Recently, the Chinese have taken up the idea of having certified accountants to audit their books yearly. There has been very little done in the field of cost accounting, but this will come; when it does, a Chinese merchant or manufacturer will know more definitely what his actual costs and profits are.

The merchants of the Treaty Ports of China are different from those in the interior. They all have the same high sense of business propriety, but the merchants of the Treaty Ports have been more influenced by foreign business methods. Apart from business, there is, unfortunately, very little contact between the foreigner and the Chinese merchant. Though the Chinese merchant gives a dinner to which he invites his foreign friends, the foreigner does not return the compliment by inviting Chinese merchants to his house. For my part, however, if I accepted the hospitality of a Chinese merchant, I always returned it by inviting him to

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my house. I called upon him to ask him to come. In many cases I was introduced to his family, and we became friends.

It has long been customary not to admit any Chinese to membership in foreign clubs in China. As I have been in other Asiatic countries where the native merchant and banker is admitted to all clubs, I never have been able to see why a respectable Chinese merchant, banker, doctor, or lawyer should not join a foreign club, as do men of other nationalities living in his country. I have been freely and gladly admitted to Chinese clubs. So when my Chinese friends visit America, I always make it a point to send them cards to all my clubs, where they are cordially received.

There are, however, certain clubs in China that were organized from the beginning to include Chinese and foreign members. In these they dine together and in general meet on the same social footing. But there has always been a feeling among the Chinese, particularly in the Treaty Ports, that they should be eligible for membership in foreign clubs. Their disqualifi-

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cation has sometimes caused friction between them and the foreigners. If the rule is abolished, as I feel sure it eventually will be, and Chinese gentlemen are admitted to the clubs, I doubt whether very many of them will join, as the Chinese are not clubmen.

A Chinese student of my acquaintance left his home and spent nine years in England, American, Germany, and Austria, educating himself in the manufacture of steel. He was strong and healthy, a diligent student with a quick mind, and was graduated with high honors from the universities he attended. In addition, he was extremely practical. On his return, he married a young girl of good Chinese family. She was well educated and much interested in her husband's career as a steel manufacturer. He secured a managing position in a Chinese steel plant and faithfully tried to use the knowledge and experience he had gained. One of the first things he tried to introduce was a system of checking the workmen's time, as he had discovered that a good many of them were getting into the plant at any hour in the morning they pleased,

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thus disorganizing the work. The scheme he proposed was to have a numbered brass check for each workman, the check to be handed to the man in the morning as he went into the plant and returned by him at night for credit when his day's work was finished. To carry this plan into effect necessitated erecting at the entrance to the plant a brick building with a long window through which the time clerks could pass out and collect the brass checks. The estimated cost of this building was about one thousand dollars.

He prepared a full description of his plan and gave it, together with a sample check and the drawings of the proposed building, to his superior officer. In asking to be allowed to carry out his idea, he reported that the plant was losing money by the dilatory way in which the employeés came to work. The superintendent approved the plan, but said that the whole matter would have to be referred to the managing director of the steel plant, who lived in Peking, twelve hundred miles away. The young man went on with his work and succeeded in

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turning out a very good steel rail, which was used on the government railroads. About a year after the plans for the brick building had been submitted, they were returned to the superintendent "not approved." The expenditure of one thousand dollars to put up a building without which the plant had been working all right was thought to be unnecessary.

After three and a half years, my friend became discouraged. He felt that his broad experience was of little value to the plant, as any innovations he suggested were ignored. He finally resigned and set up a business of his own, manufacturing pontoons and steam launches, in which venture he was very successful.

Only a few years ago a young Chinese came to America to be educated with a view to making a career of railroading. He was graduated with honors from one of our universities. Then he worked for one of the great railway systems of America and acquainted himself with the conditions under which the railroads were operated. Before returning to China, he went through its workshops and traveled over the



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line. Being a good observer, he absorbed a great deal of railway knowledge and noted, among other things, the system of accounting used by that railroad.

One of the first things this young man did on his return was to go to the Board of Communications and explain the necessity of having the same system of accounting for all the railroads in the country. At that time, the foreign powers who had financed railroads in China had their own accountants in charge. As each nation had a different system of accounting, confusion resulted, and it was difficult for the Chinese themselves to know the financial condition of their railroads.

The Minister of Communications gave this young man a free hand to standardize the systems of accounting of the several railroads. He came over to America to engage an expert accountant, who went to China and quietly explained to those in charge of the various railroads the advantages of a standardized system of accounting. They accepted the suggestion, and the interested parties are quite satisfied with

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the new system. When the Board of Communications, or the Minister of Finance, or the Chinese bankers, foreign bankers, or merchants read over the balance sheet of the railroads, they can understand them.

When railroads were first introduced in China, many years ago, they were very unpopular. The first one was built from Shanghai along the banks of the Hwang Ho River to Woosung, a distance of about twelve miles, to show the Chinese what a railroad was like. After it was put into operation, the Chinese tore it up and threw it into the river. Later on, it was proposed to have a railroad between Tientsin and Chinwangtao, a distance of about one hundred and fifty miles. The Empress of China objected to the building of this railroad and prohibited the importation of locomotives. The roadbed was laid, however. Locomotives were imported in parts and assembled in China. The railroad was finally ready for use, and when the Chinese saw what a good method of transportation it was, they thought better of railroads.

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No one will gainsay that railroads in China are a paying proposition. They pay well. I have in mind a railroad twelve hundred miles long, twenty-five per cent. of the profits on which, taken over a period of twenty years, have built an additional railroad about five hundred miles in length. The original property is still productive. The seven thousand miles of railroad which have been built by foreign money is only a beginning. There are still plenty of places where railroads could be built with great profit to those who subsidize them. China could use her water power to advantage in running railroads.

One reason for China's lack of railroads is that the investments in the existing ones are held by the foreigners who built them. As the Chinese succeed in getting absolute control of these railroads, which they are constantly trying to do, the profits are used largely for political purposes, so that no new capital is released to build other railroads.

Without railway transportation, farmers in the interior of the country are at a great disad-

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vantage in marketing their produce. The value of their land is consequently low. One hundred thousand miles of railroads and as many miles of highway would make China an entirely different country. In the sections through which the railroads now run the people are better informed as to what is going on. This is of great assistance to the central government. I often think how wonderful it would be if the Chinese government would say to half a dozen competent railwaymen: "Here is a country through which we want you to build a railroad, fifteen hundred miles in length. Here is the franchise. It is drawn so that it will be possible for you to finance the railroad. The necessary bonds are guaranteed by the Chinese government, which has a lien on the railroad and its property and a first call on its receipts. This franchise covers a period of thirty years, and at the end of that time is renewable for another thirty years. The railroad must be economically built and economically run."

On these terms Chinese railroad men could build a railroad and make it pay. As I see it,

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they are often handicapped by having to work under officials who do not understand railroad building or financing. The railway men of China see the advantage of systematizing the railroads. They now have a uniform type of locomotive throughout the country with a standard coupler. They are also working to standardize the equipment and the building of new lines. It would be an easy matter to introduce into China a system of trust equipment agreements, which would enable the Chinese to finance their rolling stock and would be a great step forward. The labor cost of building a railroad is about sixty per cent. of the total cost. It is obvious, then, that the building of new ones would provide much-needed employment for a great many Chinese.

In another connection, I have mentioned Chungking, which is the treaty port of Szechwan Province and which is located about two thousand miles up the Yangtse River. The river is navigable from Shanghai to Chungking. The Chinese government has given a franchise for a railroad from Hankow to Chungking. The

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survey has been made, but the railroad has not yet been built. When it is completed, it will open up a large part of China. Szechwan Province has a population of seventy-one million people who need communication with other parts of China not only by railroad but by highways. China needs more transportation facilities everywhere, although during the past few years the number of highways has been increased. In many parts of the country motor buses, motor cars, and motor trucks are now being operated by the Chinese with great success. Building roads not only promotes communication and gives employment to a large number of people, but it also increases the value of the land through which the highways run, because the farmers can get their produce to market at a more reasonable price.

The Shansi banker has long been known throughout China as an expert in transferring money by produce. One finds him in all parts of the country. He will transact your business in any part of China for a small fee and with perfect safety. He ships produce to a town

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where there is a market for it and deposits the money in that place. When someone comes along who has bought merchandise and wants to pay for it, the Shansi banker has a balance to his credit, enabling him to pay cash.

Chinese bankers, except those in the Treaty Ports, do not use checks in the way that we use them in America. They issue what they call a native order, which is payable to bearer with three days grace. The use of checks is increasing, however. A Chinese merchant deposits his money in the bank daily. When he wishes to make a payment, he orders the banker to do so, or tells him to make it and charge it to his account. Strange to say, mistakes seldom occur in these accounts. But the Chinese do not use banks to the same extent that we do in America. Their trade is more restricted on this account. If the Chinese had a bank in each town and paid their debts by check, checks would soon be used as currency. Chinese banks seldom fail, though they often get into very bad straits. The penalty for bank failure is very severe.

The Chinese, in general, hoard their savings

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in both gold and silver. If they could be persuaded to deposit in banks, it would increase the circulation enormously. I have often spoken to them about this. They seem to think that if the money were recorded by being put into a bank, the government would tax it. Consequently, the Chinese never parade their wealth. They hide it to keep from paying taxes.

The number of English-speaking Chinese one meets who have read or are reading the United States Federal Reserve Banking Act is remarkable. On one occasion I was talking to a Chinese banker about this law; in reply to my question as to what he thought of it, he said that he would like to see it adopted in China. With some minor changes, this could be done with great advantage to that country, since it decreases the need for money. He told me that in his town the bank would pay a farmer for the produce which the produce merchant had bought, and later in the day the farmer often deposited the very same money back in the bank.

Once our dealer in that town told me that he was badly in need of a supply of cigarettes,



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which we had on hand, but that he had no money with which to pay for them. When I asked him why, he stated that the government had imposed a stamp tax on deeds to real estate and thus had taken all the dollars out of town to the local seat of government. I made an investigation and found the town to be without currency. I gave the dealer sufficient credit to buy the cigarettes that he needed. I reported all of this to my banker friend, who told me that it was perfectly true, that he had to go to the expense of first shipping the money to the seat of government and then in turn send it back to his town, and that the cost of this was ten dollars for each thousand so shipped, which was prohibitive.

China is educating in western countries a good many young bankers, and she has able men at home who thoroughly understand modern finance. Some day I expect to see China establish a central bank, which will greatly facilitate trade throughout the country and prevent business transactions such as I have mentioned above.

In 1919, in order to promote American trade

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in China, the United States Minister there succeeded in inducing the Chinese Government to authorize the establishment of a bank chartered under Chinese law, in which Chinese and American capital was to be invested. When the mandate authorizing the establishment of this bank was published, American capitalists, chiefly in Boston, became interested in the project. Because of my knowledge of Chinese trade, commercial usage, and Chinese banking, I was asked to organize this bank. I received a telegram in London asking me to go out to China at once as its vice-president. I was given a leave of absence from the British-American Tobacco Company, Ltd., and arrived in Peking early in January, 1920.

The capital of this bank was five million dollars, gold standard. A Chinese was appointed president. Most of the staff are also Chinese. The head office is located in Peking, with branches in Tientsin, Shanghai, Tsinan, Hankow, Chentow, and Harbin. Immediately upon my arrival, the necessary premises for these were obtained in the several towns. The forms

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and methods of accounting used were worked out on American lines by a qualified accountant. I spent the years 1920 to 1923 in developing this bank. I then resigned, confidently looking forward to a successful career for it. It is still in existence and has served a useful purpose in facilitating trade between the two countries, although China has been in a chaotic condition a large part of the time since its establishment. Through this bank American merchants are enabled to go directly to any part of China with their merchandise. Although the bank's business is chiefly in China, it has connections throughout the world.

The Chinese American Bank of Commerce, as this bank is called, has a note issue. The notes, or bills, to use an American term, are printed in the United States. When one deposits a silver dollar with the bank, a dollar bill or note is issued for that silver dollar. The holder of the note is then able to go to the bank at any time and receive his silver dollar, if he wishes to do so. This is the plan on which American silver certificate notes are issued, which read:

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“Good for one silver dollar on demand when presented at the Treasury of the United States.” The Chinese public has developed confidence in the note issue of the Chinese American Bank of Commerce.

Another function of this bank is to familiarize the Chinese with the banking system of the United States of America. The forms of the bank are written in English on one side and in Chinese on the other, which makes with regard to any transaction a complete account in both languages.

In years gone by the Chinese had a distinct aversion to the use of any kind of machinery. They reasoned that if a machine doing the work of one or more men were brought into the country, it would prevent the Chinese from earning a living. Prior to the Revolution in China, the Empress issued mandates against the use of machinery. Take the case of cotton. The Chinese contended that the old hand processes gave work to more people, a thing to be considered in a country with so vast a population. The first step was to take a long piece of wood, with a



**NOTE OF THE CHINESE-AMERICAN  
BANK OF COMMERCE**

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string fastened on one side of it, something like an archer's bow. They laid this on the cotton and pulled the string, which snapped back and made the cotton fluffy. Then it was carded into small rolls and spun into yarn, which was woven into cloth on a hand loom, as was done in the old days in America.

I recall a visit to a Chinese town of about eight hundred thousand population, which prided itself on the upkeep of its streets, watering them daily to prevent dust. For this purpose the city provided tubs with sturdy bails. A tub contained about twenty gallons of water and was carried out into the street by two laborers, both of whom had a gourd of about a quart capacity. The handles of these gourds were about five feet long. The workmen were very adept at filling these dippers and throwing the water so as to sprinkle the entire street near them. Crew followed crew until the whole street was wet.

I thought of the proverbial watering cart here in America, which held about five thousand gallons of water, pulled by two horses, or mules,

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with a man to drive. I had the audacity to tell one of the municipal officials that if he bought ten of these American carts he could have the entire street system sprinkled twice a day, employing but one man to a cart, thereby saving the city a lot of money. He told me very simply that he had read about these carts, but that the Chinese could not adopt such a system successfully. He said that if he introduced the water carts into his city as I had suggested, it would throw out of employment seven thousand laborers now engaged in that work. This would embarrass the council.

Today, however, there are many cotton mills in China owned by the natives, and there is little propaganda against the use of machinery, because the Chinese have come to see the great advantages of its use. The Chinese have learned, for example, to operate concrete mixers and insist on having them when constructing roads, buildings, or anything that requires the use of concrete.

## CHAPTER VI

### CHINESE SOCIAL CUSTOMS

**T**HE FIRST interpreter I had in China was engaged on the recommendation of some English-speaking Chinese. He was an ambitious young man about twenty-one years of age, the son of a Chinese preacher. He spoke good English and was of fine address and pleasing personality. He understood also how to approach a Chinese merchant and gentleman. In 1905 the boy and I went by boat to Nanking, two hundred miles from Shanghai. This was before the Shanghai and Nanking railroad was built. After being in Nanking for several days, we visited the Chinese University. My young interpreter and friend told me about the policies governing the institution. Of special interest were the small rooms to which the students retired to prepare for the examinations. Each student was thus provided with a place favorable to thought and application.

In former days a Chinese student was often fifty or fifty-five years old before he was



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graduated. Then he was eligible for a government position, such as sub-prefect or prefect, from which he could work his way up to a higher office. This seemed a long preparation for the student to make, particularly as it took the best years of his life. Indeed, when he had passed all of his examinations, he was approaching his dotage. Gradually a feeling developed, especially among the younger Chinese, that this system of education should be changed so as to make it possible for a person to be graduated early in life, as are the students in American universities. This change was put into effect and has had much to do with other changes which have taken place in China of recent years.

I found many different dialects in China, although there was only one written language. It was told me that a Chinese who knew ten thousand characters of the written language was considered a very well-educated man. The arts and literature of China, with five thousand years of civilization behind them, are extremely interesting. But I was depressed to think that

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the educational system prevented the ordinary man from attaining a knowledge of the cultural history of his country. The resulting lack of general education was partly responsible for the absence of nationalistic feeling under the old régime. It was often said that the Chinese were not patriotic and that the North and South had no interest in each other. The only evidence of nationalistic feeling in the early days of my residence in China was shown when some foreign power obtained a settlement or concession which tended to affect the integrity of the country.

In 1915 one heard much throughout China about the Great War. At that time a movement was started to change the written language by reducing the number of characters for ordinary daily use to about one thousand. This movement became very popular and in the end brought about mass education. Everywhere teachers assembled groups of people about blackboards. They gave a three months' course, which enabled the average man to read and write sufficiently well to understand the

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newspapers. In this new language many novels were written, some of which sold into the hundreds of thousands. The spirit of nationalism, which has now come to the surface, was instilled with the new language.

The present revolution in China is not a revolution in the ordinary sense. Hundreds of thousands of Chinese have learned the new written language, and a great many of the school books employ it. This reform has gone so far that it has completely undermined the old educational system. This, in turn, has weakened the government. It seems to me that the power has shifted from the old to the new system of education. Millions of Chinese now have educational advantages they would not have had under the former régime. To-day, when talking to the average man or woman in China, one is not in so much danger of using words that they do not understand. The Chinese all have the greatest respect for education, so they are quite likely to do everything in their power to propagate the new language.

The older written language was entirely de-

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void of slang, which made it, so far as the masses were concerned, practically a dead language. The one-thousand-character language now in use has enough slang to make it live. Many of the hawkers on the street have verses which they call at the tops of their lungs, telling about their different wares. The increased contacts with the outer world have created not only Chinese suffragettes, flappers, jazz music, but slang also. The modern abbreviated language is very simple, and so practical for everyday use that within a few years everybody will probably speak it. It will remain alive partly by reason of its slang expressions.

Formerly the Chinese did not travel much either in their own country or outside its borders. But when China severed diplomatic relations with Germany and finally declared war, about fifty thousand laborers were sent to France. When they returned to their homes, they had an entirely new set of ideas about the outside world. We may assume that each one of these laborers imparted to at least ten of his fellow countrymen the impressions of what he

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had seen abroad. Likewise the villager or small-town man whose affairs take him to the city, comes back home to report to his neighbors what he has seen and heard in the metropolis.

The rise of nationalistic feeling has affected all religious sects in China. The Chinese believe in religious freedom and will insist upon having it. The Taoist head-priest, who for centuries has been able to collect great revenue in his district for the support of his churches and ecclesiastics, must now give way to this feeling of religious independence, as his people no longer feel obliged to contribute to organized religion as they formerly did. This does not mean that the Chinese are not religious; they are essentially a righteous people. Their ideas of righteousness are derived from the teachings of Confucius. Confucianism, as we all know, is chiefly a code of morals. The Chinese have adhered so faithfully to Confucianism that it seems to me they have practically shut themselves off from the progress of the outer world.

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They have lived up to it, have been satisfied with it, and have desired no change.

Social changes are taking place in China very rapidly. One of the important elements in this situation is the necessity that the Chinese make these changes themselves. They will have to recruit and, in many cases, train men to administer the government, beginning with the prefecture and going right up to the presidency. The same is true in the fields of art, science, religion, engineering, finance, medicine, and education. One of the greatest needs is for a labor organization. The United States and her people have a great opportunity to assist China in training these leaders.

The old Chinese officials, few of whom are now left, and their followers did not want change. They were satisfied with the old forms of education and government and opposed any new ideas in the same manner that a father does the knowledge his son gains in college. When the boy comes back and discusses with his father what he has learned, the father often objects and is not in accord or sympathy with

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what his son has learned. The revolution in China is over-riding the old educational system, all of the old treaties, and is bringing about a new order of things, which the rest of the world must take into consideration. The pressure of young China from within and the rest of the world from without has intensified the rising spirit of nationalism. One of young China's chief problems in the course of the social revolution will be to protect the rights of other factions and to prevent the dissemination of anti-foreign propaganda.

It seems very foolish to me for the Chinese to inject into their modern movements any anti-foreign feeling, as this only tends to withhold the support of the powers from the established government. Although there are many points upon which the Chinese and the foreigners do not agree, it is rather interesting that outsiders of all nationalities who live in China for any length of time become quite attached to the country. In my social contacts, if a difference of opinion arose between a Chinese and myself, I always tried to get his point of view

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and adapt myself as nearly as possible to it. In this way I usually succeeded in establishing amicable relations with the people of the communities where I had taken up residence. In other words, I tried to be neighborly.

The foreigner who settles in a Chinese town soon makes a reputation for himself. His character and habits become thoroughly known to the Chinese. They know the attitudes of a foreigner living among them as well as if they took a tape line and measured the man. It is soon ascertained whether he is pro- or anti-Chinese. His ability as a merchant is sounded. They also know whether he lives up to his obligations and faithfully carries into effect agreements or business contracts he has made with Chinese merchants. It is, therefore, a valuable asset to any foreigner taking up residence in China to be favorably regarded by the Chinese.

The people work differently from those of the western world. Although their methods may seem crude to us, they do bring results. I remember once having a piece of machinery, weighing about two thousand pounds, which I



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wanted moved to the fourth floor of a building. There was a perfectly good elevator in the place, capable of lifting the machinery, which lay in front of the elevator. After half an hour's argument, which I did not understand, the Chinese workmen doing the moving took some rope and tied it around the machinery. Through this rope they put some poles, and about thirty of the men put their shoulders to the ends of the poles and carried the enormous weight up the stairway to the fourth floor. When they had finally placed the machinery where it was to be, I asked the foreman why they did not use the elevator. He replied that he was afraid the load would break it. So while the machinery was put where I wanted it, I rather regretted the investment in the elevator. However, after some months and some persuasion, I got these workmen to see its utility. They then used it continuously, until we had to issue an order to prevent workmen from riding up and down on it all day long.

The hope of China lies in education. No time should be wasted in arguments and theo-

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ries. The whole gospel should be to educate the people in a practical way. I have always thought that the educational system of China should afford technical training to produce skilled labor for manufacturing articles that China could sell, not only to her own people, but also to the world. This would give many people wholesome employment and at the same time make them independent. Idleness is about the worst thing on earth. From wide observation, I am convinced that anyone who is earning his own living is happier than one who is not.

The Chinese are methodical and are as skilled with their hands as any people in the world. Look at a Chinese rug. It is manufactured by hand, including the dyeing of the yarns and the blending of the many colors. A Chinese rug is not easy to make, as most of the patterns have symbolic meaning. The Chinese have made rugs for centuries. The industry has been handed down from generation to generation. The colors in these rugs seldom fade. I think today the Chinese manufacture, perhaps, the best rug in the world. The same

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could be said of some of their silks. I mention this to show that the Chinese could be trained to, and do already, make some things better than any other people can make them.

In the past few years the Chinese have made great progress in the production of silk. They now try to handle only the silk produced by healthy worms. I believe they will be able to increase their silk production and that, when the industry is thoroughly organized, China will export almost enough silk to enable her to pay her present obligations. That is to say, the value of the silk exported each year will pay the interest and a portion of the principal of the foreign obligations of the government.

Though China is principally an agricultural country, little attention is paid to the quality of seed. The Chinese go on using the seed produced from year to year, without taking into account the possible benefit of using selected or northern-grown seed. By bringing this better seed as far South as possible, and by a careful selection of seed, better results could be obtained. It might also be possible to produce an

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hereditary good seed in the South, which would yield a richer crop for the same amount of labor. The Chinese farmer is a good farmer and tills his land well, though his plow is not very effective; but when it comes to elementary farming, the western world cannot teach him very much.

Missionaries of different nationalities are located throughout China and have done conscientious work. They are handicapped, however, by having to teach their workers the Chinese language before they can go out among the people. When a Chinese preacher, for instance, takes up training, he starts out far ahead of the foreign preacher. The medical missionaries have taught the Chinese sanitation and have established hospitals, which greatly benefit the country. Some of the missionary schools and universities have turned out very able men. But in my opinion the whole missionary enterprise in China will have to be reorganized to meet the new thought and changed conditions of the country. Although I have a great deal of respect for the mission-

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aries, I think they have erred in some instances, where they have taken the Chinese convert, educated him, taught him to preach, and then have not assigned him a church. If the foreigners undertook to supply enough preachers for China, it could not be done except by training the Chinese to preach to their own people.

Only a few years ago a Chinese Young Men's Christian Association was established. Those who went there to organize it worked in close harmony with the Chinese and trained young natives to take up the work. To-day, China's Young Men's Christian Association is largely conducted by the Chinese themselves. The Young Women's Christian Association is being directed along similar lines and is increasing in membership and influence. I have noticed on one or two occasions that young Chinese men and women educated by missionary societies insisted upon having a Christian ceremony in addition to the regular Chinese marriage service. This, no doubt, is very encouraging to the missionaries.

While there seems to be a disposition on the

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part of the Chinese to discourage mission work, I doubt the advisability of their doing so, because the money goes largely into education. I do not believe that the teachings of the missionaries in China are detrimental to the Chinese. When the educational system in China is more highly organized, no doubt it will be arranged for the mission schools to be brought under the control of the general school board. The school authorities should seriously consider this, because the money expended by the missions in China would thus be a direct investment in Chinese education. American missionaries will have to make some such adjustment if their work in China is to be continued.

Sooner or later the question of foreign property in China is going to come up with regard to American missions. It has been estimated that eight to ten million dollars a year is spent in maintaining these missions. Much money has been expended in buying land and putting up schools, hospitals, and other buildings. This money all came from the various churches in the United States, a free contribution for the

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benefit of foreign missions. Some plan should be worked out for making a settlement between the different missions and the Chinese when this property is finally transferred to Chinese control. If the Chinese keep in mind that this money was contributed for their benefit, they will doubtless make agreements satisfactory to the American missionaries.

I was in China almost continuously from 1897 to 1923. It was obvious to me that China was changing all that time. For that matter, so was the whole world, which seemed to be drawing closer together by reason of railroads, motor cars, aeroplanes, radios, telegraph, and cable communications. The Commercial Cable was laid across the Pacific in 1898 or 1899. After that if something happened in New York one day, we read about it in China the next. If the price of wheat or cotton advanced or declined in America, it was known in China within twenty-four hours.

During the time I was in China, American travel in the Far East increased considerably. Our soldiers went to the Philippine Islands and

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came into contact with the Orient. Our newspapers, periodicals, and magazines were read in China within thirty days after they were issued. Chinese students came to America to be educated. Students also went to England, France, Germany, and Japan. When they returned, they told their people what they had seen and learned. The growing contact with the outer world set many Chinese to thinking, which has resulted in changing their ideas and customs.

Phonographs and records were imported from America. From these the Chinese learned our jokes and stories and also our songs. A great many standard novels were translated into Chinese and read widely. Hundreds of thousands of copies of the Bible in translation were distributed by the Bible societies. The Chinese read in their own tongue the lives of our great men, such as George Washington, Abraham Lincoln, Thomas Jefferson, Theodore Roosevelt, and Woodrow Wilson. A great many books designed for American children were translated into Chinese and read by the



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native children. American pamphlets on raising babies were widely circulated in translation.

The use of English, I think, is increasing more rapidly than that of any other language in China. It is now possible to find in every town someone who speaks English. These are chiefly the students who have gone abroad to be educated. Advertisements, magazines, and newspapers printed in English filter into the country and are read to the people by the reader of the town or village. There is a text printed in England, *Chinese into English*, which sells at a very reasonable price. A good many Chinese buy this book and undertake to study English from it. I remember once walking about the streets of a Chinese village, when a young Chinese came up to me and greeted me by saying, "Yes." I answered him in English, and he retorted: "Dear sir or madam as the case may be," which caused me to smile, for I knew he had been studying English out of one of these books. We had a conversation in English, and I could understand a portion of what he said. When he used his book, which he had

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under his coat, he could do very well, translating the Chinese into English as he went along. The Chinese women are also learning English through the Young Women's Christian Association, which is largely in the hands of competent native women.

The dress of the Chinese women is being modified in the direction of women's dress in the western world. Chinese girls now wear silk stockings, high heels, and short skirts, though there has been much opposition to their doing so. Their mothers are very much like our western mothers, often saying: "When I was a girl, my mother would never have let me wear a dress like that." But the Chinese girls continue to adopt the western style of dress.

The Chinese women are indulging more in athletics; they play tennis and basket ball, they dance, and they take more outdoor exercise. When I first went to China, I seldom saw a Chinese lady on the street, and then only when she got into and out of her closed carriage. The Venetian blinds of her carriage or chair were so made that she could look out, but no one

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could look in. This custom has gone completely, and nowadays one sees Chinese ladies in open chairs, carriages, motor cars, and rikishas, going about the streets, shopping, and paying calls. They also go to the theaters and moving-picture shows in the same manner as the western women. Some day they will demand political recognition, as women in other parts of the world have done. I see no objection to its being granted. All men derive their ideals largely from their mothers, and women ought to be permitted to exercise their citizenship directly.

Furthermore, the young Chinese girl now selects her own husband, instead of having her parents choose him, as was formerly done. When a young Chinese woman marries, the event is written up in the society news of the papers in a western manner. A Chinese wedding is very spectacular, but in a different way from an elaborate European wedding. In China the father of the bride and the groom's father stand with the official who performs the ceremony. The bride and groom are both pre-

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sented with a marriage certificate signed by the official and by their respective fathers. There is a grand master of ceremonies at each wedding, who, when the marriage certificates are duly signed and sealed, asks the bride and groom to bow to their ancestors, then to bow to the bride's father and mother, the groom's mother and father, their friends, the distinguished guests, and finally to the grand master of ceremonies himself. This last usually occasions laughter. In some instances, as a joke, the bride refuses to bow to the grand master of ceremonies.

At one wedding I witnessed, the bride was dressed in a semi-foreign costume, with a bridal veil, orange blossoms, and a bouquet. The groom was wearing the latest foreign clothes, morning full-dress suit, silk hat, and gloves. Immediately after the ceremony the bridal party had their photographs taken to send to their particular friends. However, in the interior of the country weddings are much the same as they formerly were. But times are changing fast, even in the more remote parts

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of China. The newspapers are an important factor making for change. To-day there are dailies, some with a circulation of one hundred thousand copies or more, which reach all parts of the country.

A prominent Chinese gentleman once asked me to lend him a certain sum of money. He named the rate of interest he expected to pay, but I told him it was too high. Then he asked me what security I wanted. I replied that I did not want any, that I was lending him the money on his character, as he had a splendid reputation. The loan was made, but one of my friends was very much exercised over the transaction, maintaining that the note would not be paid when due. I told him that perhaps he was correct, but that I had a perfect right to buy my own experience; if the note was not paid, I would simply charge off the amount to my pet theories. As it happened, I was reimbursed on the specified day.

On another occasion a high official called me into counsel about a disagreement he had had with a foreigner whom he had engaged to dig

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a well for a certain sum. The man dug the required number of feet and did not strike water, but he demanded the contract price for his work. The official told him that, as he had not struck water, he should continue digging until he did. The man objected, and the official wanted me to advise him what to do. I told him he should engage a lawyer. To this he replied that we foreigners were peculiar people, always engaging a lawyer, whereas the Chinese did not resort to this method of settling disputes unless they had a bad case. Feeling that he had a good case, he did not want to employ a lawyer. After leaving this gentleman, I called on the contractor and told him the following story. A counselor at law and I were once talking about a man whom we both knew, who had not conducted himself very honorably and so did not have a good reputation in the community where he lived. Whereupon the counselor quoted a proverb: "There are three things a gentleman should never do; wear a ring, eat green apples, or dig a well." His interpretation of the proverb was this. If a man wears a

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ring, he may be considered foppish; if he eats green apples, they may make him ill; and if he digs a well, it may cave in on him. That is to say, a man's deeds have consequences. By the use of this story, I persuaded the contractor to go on digging the well until he struck water. After a few days he was successful and reported to the Chinese official, who was greatly pleased. The latter not only paid the contract price for the required number of feet, but recompensed the contractor for the additional digging. The two men thus established confidence in each other, and the foreigner received contracts for drilling other wells.

China is overrun with beggars, who are systematically organized. They are persistent when making an appeal. If you do not give them a copper, your steps are dogged, and very soon other beggars join the little procession. On the other hand, if you throw them a coin, word is passed along, and every beggar you meet insists on being given something. It is not that one minds giving, but it is very annoying to have the beggars run after you and not be able to get

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rid of them without making them angry. Sometimes they will pursue a man even after he has given alms.

I was sufficiently interested in these mendicants to inquire about their organization in the part of China where I was. I discovered the existence of a Beggars' Guild to which one might pay a certain sum of money a month. Persons making such contributions were no longer bothered by the beggars. I made it a point to become acquainted with the head of this Guild and in time had many interesting chats with him regarding his life and work. His residence was a very orderly place. In the courtyard a table was set, with food on it both night and day. When the beggars came in, they turned over their collections for the day, and then sat down at the table to a meal consisting of rice, fish, pork, and vegetables. The director of the Guild assigned districts to the beggars and could tell within a few cents how much each would collect during a particular day or night. He dressed them for their part in very ragged, shabby clothes. Often he placed a man with a



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loathsome disease at a busy corner, hoping thus to get more contributions from the public.

Once when conditions were very bad in an adjoining province, a great many impoverished people came into the district of the Beggars' Guild to seek aid. The old gentleman became very indignant, went to the Chief of Police, and told the officer that if he did not prevent these beggars from coming in from the outside a strike of the local order would be called. In that event, the Police Department would have to support all of the beggars that the Guild was then providing for, an embarrassing prospect. I was much amused at the idea of a beggar's strike. But my friend's indignation arose to such a point that he took all of the beggars off the street and let them appeal to the police for food. At this, the police took steps to prevent paupers coming in from the outside, and the strike was called off.

The head of the Beggars' Guild was greatly pleased with his position and sincerely believed that he was doing an important social service for the district in which he lived. He insisted

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that he managed the beggars much better than the police could have done. The police certainly respected him, and many of the local merchants made a monthly contribution to his work, in return for which the beggars did not stop to solicit in front of their places of business.

In traveling through the interior of China it is just as necessary to observe the rules of the road as it would be in New York or London. One must give one half of the road and speak to the persons one meets. The roads are very narrow and are usually surfaced with small stones, which become slippery when it rains. Asking directions along the road is just as unsatisfactory in China as it is in any other part of the world. The answers to my questions were usually so involved that a half-hour after they had been received, I had forgotten them, which necessitated stopping again to ask the way. If one is going up hill, the Chinese always double the mileage in response to the question, how far? If one is going down hill, they tell the actual number of miles to be traveled.

When arriving in a strange town or village

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the politic thing to do is to call upon the ranking Chinese official. I recall a visit to one village far in the interior to which we came about four o'clock in the afternoon. After locating an inn, I called upon the chief magistrate and told him that as I was spending the night in his village, I wished to pay my respects. He received me very pleasantly. Soon after I went back to the inn he returned my call, bringing me four chickens, a basket of eggs, and three dollars. He apologized for not having anything to give to a gentleman in my station in life. In accordance with Chinese etiquette, there was nothing for me to do but to accept these presents. In exchange I gave him an alarm clock, which pleased him very much. On a later trip I called on him again and asked him about his court. He had been magistrate in the town over thirty years and had never had a case in court. This was a great surprise to me and convinced me that the Chinese are not a litigious people.

Chinese magistrates are not elected, but are appointed by the people in their districts. The qualifications are that a man be straightforward,

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upright, well known, and eager to dispense justice. Any questions of difference that the interested parties cannot settle are taken to the magistrate, but usually disputes are settled outside of court.

I once had an interesting experience trying to buy some chickens in a village in the interior. There were plenty of them running around, but no one seemed to own them. We offered a fair price, but could buy no chickens. We had a Chinese hostler with us who volunteered to get us some chickens without any trouble. He simply went out into the street, caught four or five, and brought them into the inn. No sooner had this happened, than a man came up who said they were his chickens, and we paid him what he asked. It seems that the chickens were owned by the community. The man who came to collect for them was the head of the village. He asked us if we wanted anything else. We engaged a few eggs, which he brought us almost immediately. Apparently he told the village that we wanted eggs, for early next morning there were at least one hundred people standing

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in front of the inn with baskets of eggs for us to buy.

The Chinese often think that foreigners are foolish. Once two of us were making a journey through a sparsely populated part of the country and had hired sedan chairs, each carried by four Chinese. The motion of the chairs becoming monotonous, we decided one afternoon that we would walk for a while and told our chair bearers to follow us. Before very long we could hear them talking about us, saying that we were strange creatures to engage chairs with four men each to carry us through the country, and then have no better sense than to walk. With positions reversed, the Chinese chair bearer would have ridden the entire distance. After listening to them for some time, we explained that we walked because we were tired of sitting down and because we needed the exercise.

We often traveled in two-wheeled carts drawn by three or four mules. We had cotton canvas covers put on the tops of these carts with cigarette advertisements on them. Frequently we



**ON THE ROAD WITH CIGARETTES**

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gave these covers to the owners of the carts, who cherished them. Riding in a two-wheeled Chinese cart day after day is hard work. The rough and narrow roads are extremely bumpy. Once I put my pedometer on a friend, who insisted on riding in one of these carts while I walked. When we arrived at our destination that evening, the pedometer registered one hundred and sixty-one thousand jolts for the day's journey. These wanderings would have seemed more monotonous had we not always managed to find some humor to relieve the situation. At night, it was usually "early to bed," as we had to continue our journey early the next morning.

We were once asked to join the anti-vandalism society in China. In the employ of the company was a young man who was a very enterprising advertiser. He was working in a part of the country through which a railroad had just been built and was tempted to put his cigarette posters on some of the railway stations and water tanks, which were indeed good display places. No sooner had he done this than the railway people made violent protest, and we

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were asked by our consul to explain why these posters had been put up on Chinese Government Railway property. We told him that his was the first information that we had had on the subject, but that the matter would be adjusted at once. We explained to the railway officials that the young man who had put up the posters was inexperienced and that he wished to apologize for his mistake. We called in the young man and went with him to the railway stations and water tanks, where he took down the offending posters. Moreover, we had all the tanks repainted. The railway officials were so thoroughly satisfied that they gave us a place alongside the stations, where we could put our advertisements free of charge.

The world over, civility and coöperation are better assets than an attitude of complaining about conditions over which we have no control. To accept things graciously is a safer course to adopt. If we had caused trouble in any part of the world it would have been difficult for us to make satisfactory explanation of our position.

During the winter in North China we often



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wore Chinese clothes, because they were warmer than ours. The inns were not heated, but we carried oil stoves with us and were very comfortable. We often arrived in a town expecting letters waiting for us, only to learn at the post office that none had arrived. If they did not come until after we had gone, they were forwarded to us by special messenger provided by the Chinese postal authorities. A postmaster assumes that his duty is to deliver letters even if the party to whom they are addressed has left town. I don't think I ever missed a letter in China.

In 1911 the Hwai River overflowed its banks, flooding a large area of country. Famine followed the flood. A relief committee was organized with Bishop Graves of the Episcopal Church in Shanghai as chairman, and Dr. Wu Ting Fang as vice-chairman. They with eleven foreigners and eleven native-born gentlemen constituted the Central Chinese Famine Relief Committee of which I was a member. This committee by its appeals collected about two million dollars, a large portion of which came

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from the United States of America, for the relief work. The group worked in perfect harmony, but I noticed that the chair was taken alternately by Bishop Graves and Dr. Wu Ting Fang. At one meeting Bishop Graves was in the chair, and Dr. Wu Ting Fang was not present. At the next conference Bishop Graves was absent, and Dr. Wu Ting Fang presided. The missionaries in the famine district volunteered their services and were of great assistance to us.

But we found it difficult to get the Chinese people, who were starving or merely existing on green leaves and bark from the trees, to accept the relief that the committee was prepared to give. In talking with some of these stricken people, I learned that their pride was the obstacle in the way of their applying for relief. They said that they had been prosperous farmers and were not beggars. I saw men, women, and children sit down in the mud and water and become so discouraged that they died. We passed the word that we did not propose to give any free relief, but that we would pay them for their services if they would dig ditches to

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drain the land. They accepted this offer. In order to determine how badly off they were, we proposed a very low wage. If many people came to work, it was proof positive that they were in real distress, and we paid them double and quadruple the wages offered. These workers were organized into units of twelve. Ten men, each balancing a bamboo pole with a basket on either end of it, went in and out of the trenches, where the baskets were filled with earth by the other two. A man standing up on the bank directed the dumping of this soil.

The Chinese were much pleased with our system and stated frankly that they had much rather to be paid for their labor than to receive free aid. We had this work so thoroughly organized that at one time we were feeding daily five hundred and twenty thousand people who dug the ditches which drained the land and enabled the farmer to plant his autumn crops. In handling the food problem we assumed that these people would like to have rice, so we shipped a million pounds of it into the famine area together with two million pounds of beans and

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bean meal. These were boiled and offered for a penny a bowl, about a quarter of a cent in American money. But we found that the workers would not eat rice. When we asked them why, they told us that the beans were more filling. This meant that we had to ship our rice back to Shanghai and other markets to exchange it for beans.

The Central China Famine Relief Committee was in existence for two years, at the end of which time we made a written report of what had been done and accompanied it by a balance sheet showing receipts and expenditures down to a copper cash—a string coin, a thousand of which make a dollar. For this work my colleagues and I were made life members of the Chinese Red Cross Society and were each given a medal.

Five years later there was another famine in China, principally in Shantung Province. The International Famine Relief Committee and the Chinese Famine Relief Committee were organized in the Yellow River and Grand Canal country. The former collected seven million dollars

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in America. The latter, of which I was appointed treasurer, collected over a million dollars. Mr. Liang Shih Yi, who was president of the Chinese Famine Relief Committee, gave me several Chinese assistants. He agreed with me that it was not wise to give free relief as the Central China Famine Relief Committee had first done. So it was decided to grade a road from Chentow in Chilli Province to a point on the Tientsin and Pukow Railroad, a hundred and twenty miles distant. This work was paid for by the money contributed to the Chinese Famine Relief Committee. Through the good offices of Mr. Duke and his associates one hundred thousand Mexican dollars were contributed.

For my work as treasurer of the Chinese Famine Relief Committee, I received recognition from the Chinese government, the third class order of the Golden Harvest, which was the highest decoration it could give to a civilian. At my request the government also decorated Mrs. Martin Egan, who wrote so ably for the *Saturday Evening Post*. She came out to China

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for that periodical, and her articles on the famine helped to inspire the American people to contribute the large sum of money they sent to the starving Chinese.

From time to time America has also sent competent engineers to ascertain what could be done to prevent floods in China. The reports of these experts contain plans for flood control, but China has not yet had the necessary capital to invest in these projects. With regard to any sort of distress in China, it was my policy to have our men on the ground report the conditions immediately and to suggest what was needed to ameliorate those conditions. This first hand information was freely given to the press and to any interested parties.

## CHAPTER VII

### SOME CHINESE CHARACTERS

**R**EGARDLESS of climate and tropical diseases, I never thought of refusing to go anywhere my company sent me. I was carried along by wanderlust and a desire to succeed in establishing new markets for American cigarettes. Many of my experiences in China were shared by a Chinese boy whom I called Jim. He was a splendid character and was possessed of much common sense. He was the only native servant of my acquaintance with whom the Chinese gentry and merchants would deign to eat, thus putting themselves on a plane of social equality with him. His English was good. Moreover, he could speak many of the Chinese dialects. He was willing to go anywhere I went, although in some instances this involved considerable risk, because I was a foreigner. But I had the utmost faith in Jim. When he got into a tight place, he was extremely clever in devising ways and means of getting out. His theory seemed to be that a general whose re-

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sources cannot bring him safely through a predicament is a very poor strategist indeed.

Once during the Russo-Japanese War Jim and I went to Manchuria to see a Chinese merchant who had buried under his house thirty thousand dollars, which was due our company for cigarettes he had sold. This man had written me that he was very anxious to send the money to us, but that he had no safe means of doing so. He suggested that I had better come for it. We arrived in his town one evening about six o'clock with our food and bedding and about fifteen servants carrying our supplies. We found sixty-five thousand Japanese troops in the town. We were immediately accosted by a Japanese officer, who asked us our business. We told him that we had come to call on a Chinese friend. He informed us that we had no right to be there, whereupon I produced our Chinese and American passports.

The merchant whom we had come to see lived just outside the town, about four miles from the railroad station. We found him about nine o'clock that evening, very much disturbed over





**"JIM"**

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local conditions. He said that on the previous day several people had been killed by robbers and that we should be very careful and should not go outside of the house night or day without protection. He hoped that we would promptly relieve him of the money, the presence of which jeopardized his life. Being only a Chinese merchant, he felt quite helpless in the face of the war. His story rather alarmed me, as I was far from headquarters and had no protection whatever but the little money I had in my pockets and my passports. Not having had anything to eat since early in the morning, I told Jim to get us some supper. While we refreshed ourselves at our meal, I did some hard thinking, interrupted intermittently by the many injunctions of our Chinese friend with regard to the risk of undertaking to carry away with us the thirty thousand dollars. Bear in mind that these were silver dollars weighing practically an ounce apiece. They had been packed in three cases; quite a bulky load to move to a place of safety one hundred and twenty miles away.

But I realized that the money was of no value

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to us where it was and that we could not repay the loyalty of this honest merchant by subjecting him to danger in protecting it. So I determined to remove it at any cost. After supper I summoned Jim and the servant in the house of our Chinese friend, who had assisted in preparing our supper, and sent them out to bring me the worst robber that they could find. Jim seemed hesitant and suggested that we had best wait until the next morning, when he would have a better opportunity of finding the man I wanted. But I insisted on their going immediately. In about an hour they brought in a Chinese clad in a leopard skin. He was six feet tall and was about thirty years of age. In reply to my questions this giant admitted that he was in good standing in the Robbers' Guild and accepted the three months' position I offered him at a salary of six dollars a month. He insisted, however, that I show good faith by paying him one month's salary in advance. This I did, and then sent him outside to guard the house in which we were stopping. He was quite satisfied and at intervals during the night yelled out at the

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top of his voice that he was a robber, guarding a friend of his, and that nobody must come near him. After hearing a few of his declarations, I decided that he was efficient enough, and I ordered Jim to place my bedding upon the kong. A kong is a Chinese bed built out of brick with a flue running under it, in which there is a fire during the winter. I went to bed at once and slept peacefully all night.

The next morning we spent walking around the district. The streets were crowded with carts and people, but our robber guard never let us pass out of his sight. I had several talks with him during the day, and we became quite friendly with each other. That evening I decided to take him into my confidence. I told him about the money and that we wanted him to take it down through the country to a place of safety, one hundred and twenty miles away. He accepted the responsibility without question. To save him from having to open one of the money chests, I gave him a hundred dollars in silver to pay his expenses and authorized him to engage a two-wheeled cart drawn by three

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mules. I also told him that I thought he should leave early the next morning.

About two o'clock that night the money was taken from under the house and placed in the cart. We put seven or eight bags of beans on top of each box to hide the silver. A tarpaulin was placed over the chests, as was the custom when transporting beans through the country. About four o'clock our robber guard bade me good-bye and started on his journey. I was sure that if Jim and I undertook to convey this money through the country it would only be an invitation to some one to kill us and confiscate the booty, but, on seeing the cart drive away, I began to wonder if I should ever see the money again. Jim seemed confident that his brigand countryman was trustworthy and would go to the port with the money, unless he was killed. So I was pleased with what I had done and temporarily dismissed the matter from my mind. Jim and I packed up and started for the port ourselves. The merchant was greatly relieved and asked us to notify him as soon as we should arrive safely at our destination.

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We were delayed about twelve hours on the road, so when we arrived at the port we found that our Chinese guard had preceded us there about ten o'clock the night before and had taken the money to the bank according to my instructions. The bank had refused to accept it, accusing him of having stolen the money. He was very indignant at the charges made against him. I soon cleared the whole matter up with the bank. The money was accepted and, on count, was found to be all there.

I offered this Chinese guard a bonus of five hundred dollars for having brought the money safely to the bank. But he refused to take it, saying that he was only a servant. However, I engaged his services by the year at a salary which was then considered very good in that part of the world, thirty dollars a month. He was quite pleased with the arrangement, by which we left him in Manchuria to look after any matter in which he could be of use to us. As he was a member of the robbers' guild, the organization provided us with a small flag which was displayed on the carts and the bridles

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of the ponies traveling on our business. Any little procession carrying this flag passes on unmolested. In the Western world we take out fire, life, casualty, and burglary insurance. The salary we paid this member of the Robbers' Guild was a similar kind of protection for us in China.

Jim was a great comfort, and I often used to think that I could not do without him. He was very clever in managing people and affairs. Everyone he met liked and respected him. Once when we were in a small town, we received several cablegrams which had to be answered promptly. The tolls on these replies took all of the ready cash we had, which was only about two hundred dollars. I told Jim that we could not leave the next morning early, as we had arranged to do, since we were unknown in the town, and I would have to telegraph for more money. I was in no particular hurry anyway, as we had a long journey ahead of us. I thought a few hours extra rest would be very pleasant, so I told Jim that I would not telegraph for the money until the next morning.

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But Jim thought the town was a terrible place and did not want to stay there a minute longer than was necessary. About one o'clock that night he came into my room to tell me that we were leaving at seven in the morning. To my great surprise he had borrowed two hundred dollars for us. I asked him who his Chinese friend was. He said he had not met him before, but that the man was a merchant to whom he had explained our predicament. This merchant had accepted Jim's I. O. U. with the understanding that it would be promptly paid through a Shanghai bank or the post-office. The next morning, before we left, I had the pleasure of meeting the man and assured him that he would be repaid for his kindness. Through this incident we gained his confidence, and he later became a very loyal supporter of our company. For all I know he may still be selling our goods.

I never tired of talking to Jim. He was quick-witted and very intelligent about general conditions in the country through which we traveled. He looked after the baggage and me and paid all our bills. At the end of the month



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he turned in an account of the money spent. During the many years we were together I never knew him to make a mistake in these accounts, which he kept in Chinese.

Jim's little peculiarities amused me. I often asked him what we were going to have for breakfast, knowing all the time just what our supplies contained. He would answer: "Bacon and eggs (or ham and eggs), coffee, bread and butter, and sardine fish." Repeatedly I told him that I did not want sardine fish for breakfast, but that I would like sardines. To this he always replied that there were no sardines, only sardine fish. He always insisted on carrying an umbrella. When he went to look after the baggage or attend to other business, he handed it to me to hold while he was occupied. It seemed to me that I carried his umbrella most of the time, though I seldom had one myself.

A friend of mine, who was being married in China, asked me if he could have Jim's services on his honeymoon. He and his bride were going from Shanghai to Japan and wanted someone to look after their baggage. Jim was very much

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pleased, was present at the wedding, and took complete charge of the traveling arrangements of the newly married couple. The following morning Jim was preparing my friend's bath, when the gentleman's wife picked up his soap and towel and started off with them to her bath. This brought a great protest from Jim, who told the bride that she could not use the master's soap. She was very indignant until her husband showed her that this was an indication of Jim's loyalty.

Jim could be trusted with all sorts of commissions. I once asked him to look after a friend of mine who came to China with his wife and four children. They were so appreciative of his aid that, when leaving, they gave him five hundred dollars. He lent out the money at a good rate of interest. He kept in close touch with the family after they returned home. At Christmas he always sent them greetings and inquiries about their welfare. When the young daughter of the family blossomed into womanhood and became engaged to be married, she sent Jim an invitation to the wedding. He

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showed it to me and insisted that he must send her a wedding present. He paid fifty dollars for the gift and sent it to New York with his blessings for the bride. A few days after that he came to me, showed me the parcel post receipt for the package, handed me the bill for the present, and told me to pay it. He argued that he was the company's agent, and that we should certainly send this young girl a wedding present. So I paid the bill, but Jim received the beautiful note of thanks.

Jim was a prominent figure in the company. One of the vice-presidents in New York, who knew him very well, once heard that he was ill. He cabled me to ask about Jim's health and instructed me to increase his salary from twenty-five dollars to forty-five a month. I called Jim into the office and read him the cablegram. Then I handed it to him and told him that his salary increase would go into effect at once. He thanked me most profusely, looked at the message, handed it back to me and went out, only to return about half an hour later to say that he would not accept the raise in salary. His ex-

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planation was this: "By and by you will go home, and someone else will come to take your place. In looking over the payroll, your successor will see, 'Jim, forty-five dollars a month,' and ask what I do. When told that Jim is the boy who travels about the country, he will say that there are plenty of Chinese boys who would be glad for the work at twenty-five dollars a month, and I shall lose my job. So I do not want the increase in salary, because a travel boy is worth only twenty-five dollars a month."

After much persuasion he agreed to let me put the extra twenty dollars a month in the bank for him. Then I wrote the vice-president of the company details of the affair. Jim's action pleased him very much. I was instructed to call together the Board of Directors in China for the purpose of passing a resolution putting Jim on the company's pay-roll for life at a salary of forty-five dollars a month. A few years ago he was placed on the retired list.

Early one morning, when I was stationed in the interior, I heard a great argument between Jim and the cook. The discussion became so

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heated that I called Jim to ask what was the matter. He told me that our cook did not understand his business, that he was giving our men too much meat to eat, which was ruining their stomachs, and that the quarter of beef and two sheep which the cook had ordered were entirely too much. Jim was excited and went on to say that the men had been brought there to work and not eat all day long, and that he had made the cook send one of the sheep and a half of the quarter of beef back to the butcher.

When I undertook to straighten the matter out, I found the cook also very indignant. He informed me that he was acting in accordance with his instructions and that the men were not eating too much meat for winter-time. He added that he had ordered extra supplies, because he could not get any more for the next four or five days over the approaching holiday. His explanation caused another row with Jim, who was angry for not having heard about the holiday. But the butcher was finally instructed to bring the extra meat back.

Running across the Gobi Desert through Mon-

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golia from Peking to Urga, a distance of about a thousand miles, the Chinese government has a telegraph line. Every two hundred miles of this distance there are wells, where the camel caravans or mule and horse carts that cross the desert stop overnight for water and supplies. There was a British subject named Grant employed on this telegraph line. He and his Chinese assistant had stopped off at a station two hundred miles from Kalgan. Then it was reported in Peking that this Britisher had been killed by a Mongolian marauder. The affair had been taken up by the Chinese government, and the newspapers in Tientsin, where Jim and I were staying, had much to say about it.

One afternoon I received a telegram from Peking signed "Li," asking me if I would send someone out to this station. The government did not think that Grant had been killed, but wanted to find out. I did not know Mr. Li, but I telegraphed him at once that I would do what I could. I went up to Kalgan, about two hundred miles from Tientsin, and called on a Chinese general who had forty-five thousand troops

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on the Mongolian border. I told him that I wanted about two hundred cavalrymen, the same number of camels, and a pass through his lines to see if I could locate Mr. Grant.

The Chinese general refused my request, so I went directly to Peking. After explaining my mission to one of the principal secretaries of the government, I received a pass through the Chinese lines and an order for the cavalry company and camels. I then sent out five men, none of whom, by the way, had ever seen Grant, to see if they could locate him. When they found the Mongolian outlaw supposed to have killed him, the man said that Mr. Grant was not dead and that he could produce him. He brought in a Russian who looked something like Grant's pictures, but this man did not answer satisfactorily the questions put to him. Finally the brigand was told that it would be greatly to his advantage to help us find Mr. Grant. He did. The man's body was dug up and carried back to Peking for burial in the British cemetery there. For my part in this affair, the government gave me my first Chinese decoration, the sixth class

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Order of the Golden Harvest. It paid ten thousand dollars to Grant's mother. As for the outlaw, he was killed a few weeks after this by some Chinese soldiers.

Grant must have been a very interesting person. From what we could learn of his death, it was something like this. The bandit, on capturing him and his assistant, had offered to let Grant go back to Peking, as he was a foreigner, but said that he intended to kill the assistant, who was Chinese. He paced off a distance at which his victim was to stand and ordered twelve soldiers out to face the man. On seeing this, Grant had said to the bandit: "If you are going to shoot my friend, you can shoot me, too." At that he took his place by the side of his Chinese friend and assistant. The order to fire was given, and they were both killed.

At that time there was a four-hundred-and-twenty-camel caravan trading between Kalgan and Urga. To give some idea of the size of this caravan, I may say that each camel requires a man to look after it. There is a saddle or frame made to fit each camel's back, enabling the crea-



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ture to carry a load as heavy as three hundred and twenty pounds. The cigarettes packed in America had to be taken from the cases in which they were shipped to China and repacked in boxes that would fit the camels' backs and could not weigh more than three hundred and twenty pounds. It is a fact that if a load heavier than this was put upon a camel, he would not move, but simply sit down on his haunches and wait for the load to be made lighter. The caravan started off at four o'clock in the morning, and promptly at four in the afternoon, regardless of where they were, the camels stopped and squatted down for the load to be removed for the night.

This caravan was in charge of three foreigners who were familiar with the country and were very popular with the Mongolians. They were strong, healthy men, who were perfectly satisfied to live in the desert and be in the saddle every day of the year. To amuse themselves, they learned the Morse telegraph code. When crossing the Gobi Desert they connected their instruments to the telegraph wires and sent

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messages back to Kalgan or Peking without the assistance of any one. They were fairly good operators and had a great deal of fun with their accomplishment.

I remember a winter evening in Kalgan where two of these men had just come from a trip to Mongolia. They were in the company's quarters, when a newspaper man arrived and asked them to put him up for the night. They very gladly accommodated him, as they would have any stranger who came along. Men whose lives are spent in isolated places are pleased to have some one to talk to, particularly if he has news from the outer world. The two young men entertained their guest royally. After supper one of them invited the correspondent into his room on the pretext that it was more comfortable than the living room. A general conversation took place between the two about Mongolia, when all of a sudden the telegraph instrument on the table began to click.

Our man excused himself to answer the call. He took down a fifty-word message which he told his guest had come in from Mongolia.

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This he read to the newspaper man, who was very much amazed at his host's ability to pick up such a telegram. Being always on the lookout for news, the correspondent asked permission to telegraph this message, picked up from Mongolia, to his newspaper. Consent was given, and the telegram forwarded.

The next morning the stranger was told that the telegram had been sent from an adjoining room and signed by his other host. All had a good laugh over the episode. There was no harm done, and the story was as good news as it is possible to get anywhere. It took men of this temperament to distribute cigarettes in the far-away places of the earth. The jokes that they played were never mean and afforded them much entertainment.

These same men once employed another ruse to get them out of a predicament. It was in Urga. The local government decided of its own accord to put into effect an increased duty on cigarettes, which was not in accordance with the treaties between the powers and the Chinese government. Our men protested against this

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increase, but the local government insisted on it. In those days it took a month for a letter to go from Urga to Peking, sometimes longer, and telegraphing was very expensive, costing at least forty cents a word. Nothing daunted, these men told the local officials that since they were not encouraged or treated properly in Urga, which was not a very good market town anyway, they had decided to go elsewhere. They said they were going to a place on the road between Urga and Kalgan, about four hundred miles beyond Urga, where they proposed to bore wells and get a plentiful supply of water. The town they proposed to establish would thus become the market town of Mongolia. They gave evidence of their intention by leaving Urga at once.

Long before their return from Kalgan, which is where they went, the local government in Urga decided to defer putting into effect the increased duty on cigarettes. On their arrival our men were notified that there would be no necessity of starting the new town. These men of ours never lost the confidence of the people

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with whom they were dealing. They were trusted and respected by the Mongols and others with whom they came in contact.

The Mongolians are herdsmen, raising great quantities of horses, sheep, goats, and cattle. At certain seasons of the year they race horses, but always on a straight track. China is supplied with horses by Mongolia. The wool produced in that country is exported principally to America, as are the hides and skins. From close observation I would say that the rest of China is encroaching on Mongolia at the rate of about four miles a year. One finds Chinese from other parts of the country in most sections of Mongolia. They come to trade, but very few of them settle in the country. Mongols do not often intermarry with Chinese.

There is still in existence between China and Russia a trade route which is centuries old. It is claimed that Chinese tea shipped over it improves in quality so that it brings a much better price in Russia than tea imported by some other route. Previous to the Russian Revolution the Russian government maintained a pony express

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across the Gobi Desert by which much of the diplomatic correspondence between the Russian legation in Peking and the Czarist régime was sent. The mail pouches were carried by Russian couriers. This kept the correspondence always in the hands of the Russian government.

In crossing the Gobi Desert from China into European Russia, one is impressed by the great contrast between the East and the West. The change is quite gradual, however. Although the Russian government was formerly much stronger than the Chinese government, it is my opinion that Russia will never make a real conquest of Mongolia, because she could not assimilate the Chinese.

From the west gate of the city of Peking there is a very good road to a beautiful spot about thirty miles away where there are hot springs. These springs are surrounded by a beautiful forest, which is well kept up. The former emperors and empresses visited these springs at different seasons of the year for the baths. Many beautiful cottages are located near these springs, in which the water bubbles up

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endlessly. The story goes that one of the springs is bottomless. I cannot vouch for this, not having had sufficient curiosity to test its depth. After the revolution in China foreigners were allowed to go to these springs. A good hotel which served foreign food was established there. The attendants were courteous and seemed to anticipate what a foreigner might enjoy. Partly for this reason, I always enjoyed my visits to these springs. The diplomatic corps in Peking frequently visited the place, which became as popular with the foreigners as it was with the Chinese.

On one of my trips to the springs I became acquainted with a Taoist priest, a most amiable old gentleman of great poise and dignity. He very kindly invited me to visit his temple, which is known as Cave Temple. We became such friends that he leased me a portion of it, with the understanding, of course, that the grounds must always remain open except at night. A portion of this temple dates back to 400 B. C. On one side is an enormous rock that hangs out over the tomb of some priest who died ages ago.

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Under this rock is a cave, in which the God-images are kept. Immediately in front of the cave, a distance of about thirty feet, a stone wall had been built, on the other side of which a stream of water ran down the mountain side.

From the temple grounds at night one can see the lights of Peking, thirty miles away. I could leave Peking at five o'clock in the afternoon in a motor car and be at my retreat by half past six. I made some improvements in the temple, arranging it into four separate apartments, the center one of which was a dining room and kitchen. Surrounding Cave Temple was quite a little tract of land. In order to grow my own vegetables, I leased a plot of this ground from the priest and put it under cultivation. I installed a pump to bring water from the river so as to have a plentiful supply for irrigation purposes. I spent many happy weekends at this spot. I enjoyed them particularly, because I could have both my Chinese and foreign friends with me there.

My friend, the priest, had an interesting personality. In my many conversations with him



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he often spoke of America. He had read of George Washington, Abraham Lincoln, Grant, and Roosevelt, and asked many questions about them. He was chiefly concerned to know how these great men of America secured the confidence of their people, which he considered to be an imperative duty for the leader or governor of any country. He continually emphasized his efforts to hold the faith of his little flock. He believed in encouraging them. I have heard him tell the young men what they might attain if they could but command the respect of their fellowmen.

I was greatly interested in this priest's ideas. As I have said, the temple was located on a mountain side. On a lower level he had built a stone grist mill, which was operated by horse and donkey power. The top stone had a long piece of wood attached to it at the end of which the donkey was hitched. The beast walked around the mill, pulling the top stone, which ground the grain against the lower one. The temple-followers were encouraged by the priest to bring their grain here, where it was

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ground for them free of charge. They brought wheat, barley, millet, and corn. The priest took great pleasure and interest in seeing that his people were promptly served. He also advised the farmers to grow peanuts and sweet potatoes. As presents to his friends, he always gave peanuts and sweet potatoes, both of which are nourishing foods and very cheap in China.

The Chinese consider sweet potatoes a poor man's food. A wealthy person, or one of the gentry, will on no account eat them. If he does, he commits a social error which affects his standing in the community. On many occasions I have had an argument with my Chinese cook when I asked him to prepare some sweet potatoes for me in the way that I had been used to eating them in North Carolina. He would do as I bade him, but when the dish came to the table it was usually covered with a napkin so that nobody could see what was being served.

The sweet potato roasted is the "hot dog" of China. Go anywhere you please, you will find a man on the side of the road selling hot sweet potatoes, which he has roasted or steamed. His

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clientele, however, is confined to the poorer classes. You will see a man pay a copper for a sweet potato and sit along the side of the road to eat it without any butter or other seasoning. His face will show that he is better satisfied than if he were in the most famous restaurant in the Western world, eating the best dinner that could be prepared there. I have often had a desire to share this experience with the Chinese whom I saw sitting by the side of the road and have wondered how I could manage it without losing face or hurting my social standing.

I learned new points on growing sweet potatoes from the Chinese. As a boy in North Carolina, I had seen potatoes put in a bed to sprout. Then these sprouts were planted in a row across the field. Occasionally they were cultivated. In due course, we harvested. The Chinese pay more attention to the growing plant. When sweet potato vines commence to spread out, the ends of the vines touching the ground put forth new roots. When this occurs, the Chinese go into the field and pull up these

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new plants, leaving the main plant intact. When I asked a Chinese farmer why he did this, he told me that by preserving only the parent stem, its roots, which are the potatoes, grow larger. I do not know what the Chinese would do without their sweet potatoes, because millions of people almost live on them. But I do know that wherever they are found, they are good.

There are two kinds of peanuts in China, one of which is indigenous. I shall not attempt to say how many centuries this nut has been grown in China. The other is called the San Francisco peanut. The story goes that a missionary, when coming through San Francisco many years ago, had given to him a few sacks of American peanuts, which he took out to China. On his arrival he distributed these peanuts among his followers, whom he taught to plant and cultivate them. To-day millions of pounds of peanuts are exported from China yearly.

When the Chinese farmer harvests his sweet potatoes and peanuts he puts the vines back

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into the ground to enrich the soil for the next crop. He stores peanuts for use in the winter months just as he does wheat, corn, bacon, or anything else. I cannot understand why America cannot grow as many peanuts as she consumes, but she doesn't. We import San Francisco peanuts from China. This seems strange, but no stranger than for the Chinese to be buying American cigarettes. We exchange our excess products. You may wonder why I was interested in peanuts or potatoes and other commodities that were raised in foreign countries. It was part of my work. In helping to find markets for these products I was also expanding the market for American cigarettes. Our sales have justified these efforts on my part.

We always found the Chinese officials very coöperative. They often offered aid before we asked for it. Once when I was in Peking, I received a note from the secretary of the Premier of China requesting me to call on him the next morning at eight o'clock. At the appointed hour I was there. I was ushered into his reception room. When we had exchanged the courtesies

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of the day, he told me that he wished to ask me a few questions which he hoped I would answer. I replied that I would try to do so. He said that he knew that we were going through the country advertising and selling cigarettes and that he was afraid that we might get into trouble with the Chinese people, who do not readily understand foreigners. He knew that we had not as yet been seriously annoyed, and he wanted to know how we had avoided it. I told him that we had no misgivings whatever about difficulties with his people, as we treated them with respect and courtesy, to which they responded in like manner. I also told him that we would do everything in our power to prevent embarrassing the Chinese government or His Excellency. After this part of our conversation, he invited me to have breakfast with him. He offered to assist our company in any way he could and told me to telegraph him if we ever had any difficulty in the interior of the country.

This Premier had been educated in the United States. He told me an interesting story

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of his school-days in America. He lived with a family in New England and attended a university in that part of the country. On one occasion he and several other Chinese students went to Philadelphia with their college mates to take part in a baseball game. They were in Philadelphia for three or four days, where they met the manager of a large locomotive works located near the city. He invited them and their friends to go through the locomotive factory. The invitations were accepted. After showing them the plant, the manager invited the boys to lunch.

Some years after receiving his degree and returning to China, he was made Premier. The Minister of Communications called on him one morning to say that the Chinese Government Railway wanted to buy twelve locomotives. The Minister knew that the Premier had been abroad and asked him to recommend the best type of engine. The Premier told me that he knew nothing in the world about locomotives other than having seen them on railway lines and at that manufacturing plant near Philadelphia, but he advised the Minister of Communi-

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cations to buy the twelve locomotives from the company whose shops he had visited. In this connection the Premier was amused to call himself an American drummer. He mentioned this experience in proof of the advantage to America of receiving Chinese students to be educated in her universities. Later on I met a representative of the locomotive company concerned and told him the Premier's story. He replied that they had already heard of the incident and were continuing their great interest in all Chinese students who came to America, doing even more for them than showing them the locomotive shops.

Nineteen hundred and eleven and twelve were eventful years in China. In 1911 Dr. Sun Yat Sen overthrew the Imperial government and became the first President of the new Republic. That same year, in Nanking, I first met him. We became great friends. We visited each other often and had many conversations about China and the government he was undertaking to establish. As we all know, it was a stupendous task, largely because he did not have



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enough trained men to administer the republican form of government, to which he gave his whole life.

I was proud of my acquaintance with all classes of Chinese, the man in the street, the gentry, and the officials, including the president. I wanted to become so well acquainted with them that I could call them up on the telephone, seek a personal interview, send a letter or telegram, and have them know at once who I was. I enjoyed getting their outlook on the future and being of assistance to them whenever I could.

I became well acquainted with the late Yuan Shih Kai, who was in my opinion the best administrator of his day in China. He was the second president of the Republic and accomplished a great deal. He had translated the biographies of several American statesmen, including President Grant. I once visited President Yuan Shih Kai at his request. I was tutored by a young secretary of his in the formalities I should have to observe when I met the President. This young man told me that the

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President would not shake hands with me, and outlined what my conduct should be in the presence of the President. I was so much tutored that I was embarrassed, fearing that I might forget some part of the etiquette.

On arriving at the President's palace, I was immediately received by one of his secretaries and ushered through a maze of doors to the room where the President was to receive me. We arrived at a glass door, which was opened from the inside for me to pass through. A Chinese gentleman standing inside caught me by the right hand, put his left hand on my shoulder, and greeted me. I did not know who he was, and after shaking hands with him, I proceeded to an adjoining room where I expected to find the President. Imagine my embarrassment when I discovered that the man who had caught my hand and escorted me into the room was Yuan Shih Kai himself. I could no longer follow my tutor's instructions. The President invited me to sit down. One of his secretaries asked me if I spoke French. When I replied that I spoke only English, an English-speaking

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secretary came to interpret our conversation. There was very little formality about the reception, except perhaps for the two cups of tea which were brought in by a servant and put on the table, one in front of the President and the other in front of me. My tutor had told me about these conventional cups of tea. When the President wished to indicate that the interview was ended, he would take a sip from his cup, and I must immediately take a sip from mine and bow myself out of his presence.

The President's conversation was on general topics. He asked me if I knew General Grant. I told him that I knew the general by reputation only, but that I had great respect for him. President Yuan Shih Kai continued, saying that he had had Grant's speeches translated and that he knew almost everything Grant had written. He had had the pleasure of meeting General Grant when the latter made his famous trip around the world. On General Grant's return to America, Yuan Shih Kai, who was then an army officer, had carried on a friendly correspondence with him, of which he was very

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proud. He expressed great admiration for President Roosevelt, whom he said he intended to meet. Then he asked me what he could do for me. I replied that I had always had a great desire to meet a Chinese soldier and statesman and that I was honored to have been granted this interview.

I was momentarily expecting to see the President take up his cup of tea as a signal for me to go. However, he kept on talking. Again he asked me if there was something I wanted of him. I replied, "Nothing." A servant brought in two glasses of champagne and placed one before each of us. A third time the President asked me what I wanted, and, thinking that possibly this was a cue for my departure, I thanked him for the interview and rose to go. He urged me to stay seated and said that he wanted to continue our conversation, as I was the first man he had ever interviewed who did not want something of him. After a visit of an hour and a half, he sipped his tea, and I sipped mine. He invited me to come to see him whenever I felt like it. He also gave me a card to

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show at the entrance of his palace which would enable me to secure an audience with him at any time without having an engagement.

During the interview I noticed that the President was smoking a brand of our cigarettes. He did not know it was one of our make, for when I asked if I could send him a few cigarettes, he declined, saying that he had been smoking this kind ever since he was a boy and liked them so well that he would smoke no others. I informed him that the brand was one of our manufacture. This interested him greatly. I sent him fifty thousand of his favorites, and a gold cigarette case on which was a jewelled emblem of his rank as Senior Guardian of the Heir Apparent. Later he gave me one of the silver memorial dollars which he had had coined for his friends. I still have this Yuan Shih Kai token.



YUAN SHIH KAI MEMORIAL DOLLAR

## CHAPTER VIII

### SOME CHINESE CITIES AND TOWNS

**A**S I HAVE already said, I landed in Shanghai in 1897. I located in the Foreign Concessions, the part of the city which had been set aside by the Chinese government in agreement with some of the foreign powers for the residence of their nationals. Similar concessions were granted in most of the treaty ports; viz., Tientsin, Hankow, Chefoo, Newchwang, Antung, Kiukiang, and Chinkiang, where the foreigners lived in their own little groups. Each of the great powers except the United States had its concession. At one time the Chinese had offered the United States a concession in Shanghai, known as Hongku, which is still thought of by the Chinese in the city as the American settlement. But the United States did not take up this concession, and it was assimilated by the section now known as the international settlement.

The United States refused another concession in Tientsin and still another in Antung. In

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fact, she has consistently refused to accept these settlements in Chinese cities. The Americans whom I met when I first went to China differed as to the policy of the United States concerning these concessions. Some insisted that our government should accept them; others thought it would not be wise to do so. In thinking over the policy myself, I came to the conclusion that the United States had refused these concessions because eventually they would have to be returned to China, and in the meantime the responsibility of administering these municipalities within foreign cities would rest upon the United States. Furthermore, I did not then and do not now believe that the Chinese would have been any more willing to trade with us by virtue of our having concessions in the treaty ports. When China establishes tariff autonomy and abolishes extra-territoriality, the foreign concessions will, as a matter of course, revert to the Chinese government.

The international settlement in Shanghai is a modern city, built principally by the British. It has a population of at least two million



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people; is well-governed and organized; has good sanitation, electric power, and water works. Shanghai itself is a model city which foreigners have built. No doubt, the British, who are largely responsible for the existing municipal government in Shanghai, intended that it should be taken as a model by the Chinese throughout the entire country. Perhaps the Chinese will so regard it as time goes on. The international settlement of Shanghai employs trained engineers, electricians, and road-builders. The telephone system has underground wires.

When these foreign settlements, particularly that at Shanghai, are turned over to the Chinese, there will be need of trained Chinese to govern them. For this reason, I have always thought that the Chinese should be represented on the municipal council of Shanghai. My native friends will agree with me that to govern a city of its size requires experienced men. The Chinese ought to have these men in training now. They have some who are perfectly com-

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petent, but not a sufficient number. This is true of all the foreign settlements in China.

Shanghai, including Shanghai Municipality or the foreign settlement, is governed by a city council, which gets its real power from the foreign diplomatic corps in Peking. When Shanghai Municipality was provided for in the treaties between China and the powers, the plan was to set aside a section of the city in which the foreigners could live according to their own customs. In laying out this settlement, provision was made for a garden or park, consisting of about two acres, in which no Chinese were to be allowed. The park was planned particularly as a place for the children to go in the afternoons. In the evenings the foreigners gathered here for a band concert, paid for by the municipal council.

For some years things moved along satisfactorily between the foreigners and the Chinese. But conditions changed. As Shanghai grew, the foreigners came to include Koreans, Japanese, East Indians, Filipinos, and Siamese, all of whom had access to this park. The Chinese

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were the only Asiatics excluded, and considerable feeling on the point developed among them. The municipal council had, it is true, provided a special park for the Chinese, but very few of them availed themselves of its privileges. They would have preferred to share the park used by the foreigners, to which all other nationalities had entrance. I can readily see both sides of the case.

With the growth of the city, additional parks were laid out. The Chinese had free access to these. But, by this time, their right to go into the original park had become a bone of contention between them and the foreigners. It seems to me that since other Asiatics used the original park, the foreigners had little to gain by excluding the Chinese. Moreover, as Shanghai expanded, many new streets were opened in the western district, and the foreigners, who formerly lived close to the park, moved further out and used the race course grounds for golf, cricket, baseball, and lawn bowls. Children, who formerly went to the park daily, now played on these grounds because they were

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larger and nearby. So the foreigners no longer relied so much on the old park from which the Chinese were excluded. I know that after I moved out into the western district to live, I seldom went back to the gardens, but went to the race course instead, as did all of the rest of the foreigners.

The land regulations of Shanghai Municipality, which were approved by the diplomatic corps in Peking, prohibited the Chinese from owning land in the concession. Everyone knew, however, that this regulation was evaded by Chinese, who bought land in the settlement under the name of some foreigner. They paid the taxes on this property through the foreigner whose name they had used, but they had no representation on the municipal council.

The municipal council was composed of eleven members: eight Britishers, one German, one American, and one Japanese. Shanghai Municipality employed Chinese police and engaged Chinese clerks for all municipal offices. Still the Chinese kept on insisting upon representation on the council, until it was recently

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granted. This will give some idea of the friction which has arisen between the Chinese and the foreigners in Shanghai Municipality.

My observations in China have led me to believe that a walled city is not as progressive as a town or city that does not have a wall around it. This condition may be due to the conservatism of the ruling classes in the walled cities. The magistrates do not take sufficient interest in new things. They are content with the old customs. Where a city has outgrown its walls, I would say that the part of the town outside the wall is more progressive than that inside, that is, in so far as business methods are concerned.

Just after the Boxer Rebellion in 1900 the wall around the city of Tientsin was razed, and a street-car line was laid down. No sooner had this happened than the Chinese themselves began to broaden and pave the streets, putting in water works, electric lights, and telephones. The city was much improved. For many years it was debated whether or not the wall around the Chinese city of Shanghai should be re-

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moved. When it was finally taken down the streets were widened and modern improvements put in. Land that was formerly inside the wall increased in value. The ruling class was replaced by men who seemed to have new ideas of how things should be done. At any rate, the city made greater progress after the wall was taken down.

Now I am not advocating razing the walls of all the enclosed cities of China, but I believe that anyone who knows that country will agree with me that the walled cities have a different attitude toward western ideas than have the cities without walls. The towns of Harbin and Fu Shien Dien illustrate this point. They are located in Manchuria, about four miles apart on the Sanguri River. The government of the latter town is administered entirely by the Chinese, a great many of whom have moved into Fu Shien Dien in the past fifteen years. When I first knew the place it had about thirty thousand people; to-day its population is at least two hundred and fifty thousand. Many of the newer inhabitants came from Shantung



Photo by Ewing Galloway, N. Y.

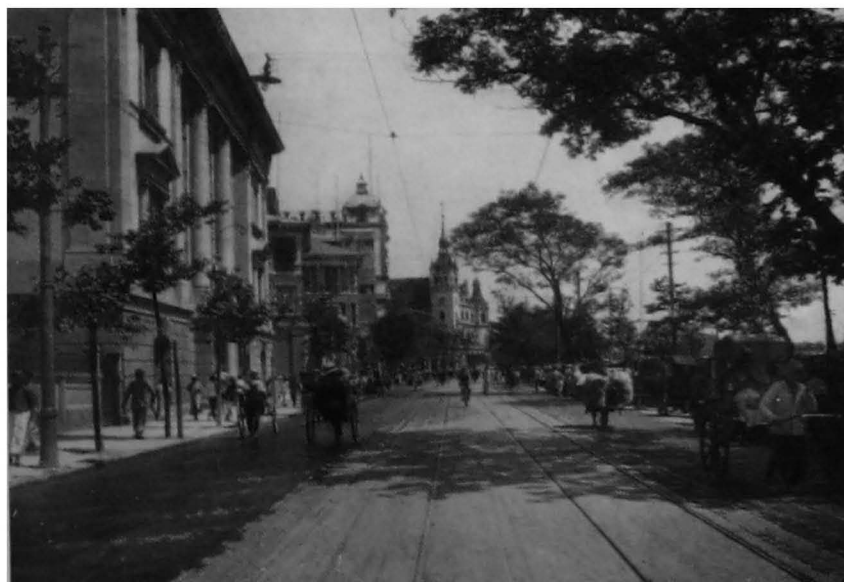


Photo by Publishers Photo Service, N. Y.

**WITH WALLS AND WITHOUT  
PEKING AND SHANGHAI**

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Province, where they did not exhibit the same enterprise they have shown in their new home. Fu Shien Dien now has all modern improvements and many well built brick buildings four or five stories high. The municipal council is composed chiefly of younger Chinese who were educated in various parts of China or in America. The citizens of Fu Shien Dien are justly proud of their city. Its trade is increasing from year to year. The country around produces wheat, barley, oats, cattle, sheep, pigs, beans, potatoes, and cabbage, all of which find a ready market. Mukden, which has retained its wall, shows none of these evidences of growth in comparison.

In the past two years more than a million and a half Chinese have immigrated from Shantung Province into the thinly populated sections of Manchuria and Mongolia. If they exert the same influence on other towns that they have shown in Fu Shien Dien, I predict there will be many more towns in Manchuria like it.

The walls around the cities of China were originally put there for protection, just as in



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the Western world we built a fort at the mouth of a river or at a seaport. But in recent years they have become obstacles to progress and have cramped the development of the towns around which they are built. The effect is like that of a small room upon a business man. Put him in a tiny room to do important work, and I believe that his ideas will not be as broad or his mind as alert as is the case with a man working in a larger room. When I was in a walled city at night and the gates were closed at six o'clock, I might have felt somewhat safer for being on the inside, but the next morning, when I got up and looked around the world, it had, comparatively speaking, narrowed down to the confines of the wall. I could look up to the sky, but it seemed that I did not have the same freedom of thought or action inside of the wall which I had on the outside. I was treated so courteously everywhere I went that I did not feel the need of the walls for protection, and when I passed through the gate and started on my journey to another town I felt freer than when walled in.

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Perhaps in the walled cities I felt the restrictions imposed upon the people living there.

I have often wondered whether the wall was not in a way accountable for China's not making progress in government and in the industries. In the enclosed cities families own the same land from one generation to another. They seldom sell it. Shop rentals are not excessive until a change is made in the tenant. Once, in renting a shop in a walled city, I asked the occupant of the shop what rent he wanted for it. He told me thirty dollars a month, which I considered very cheap. I offered to take the place for five years at that price. Then he explained that I would have to settle with the owner of the land and the shop. I discovered that while a rental for the shop of thirty dollars a month was quite satisfactory, I would have to pay forty-five hundred dollars to the owners. This custom was effective when a new tenant took possession of a store. Consequently there were very few such changes made. Occupancy was passed from one generation to another at a fixed monthly rental; but

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a new tenant had to pay a sum of money such as was demanded of me. Feeling that thirty dollars a month was too little for the place I wanted, I offered sixty dollars a month instead. But the owners of the land and shop were very conservative and said I would have to conform to the custom, as everyone else did. Such conditions as these did not obtain in towns that had no walls around them.

I have visited cities whose walls were very beautiful, but whose shops were not as well kept as were those of towns not walled. There is little civic pride among people whose vision is limited by walls, unless they look up to the sky. Take, for example, the walled city of Hangchow, which has very narrow streets. The broadest street in the city runs right around it on the inside of the wall and is only about twenty feet wide. The town has eight hundred thousand people. They manufacture fans, which are shipped all over the world. Hangchow has overflowed its walls. Beyond the wall one finds modern improvements, such as electric lights, telephones, and water works. There are

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good streets, cotton mills, silk mills, theaters, hotels, and the consulates of the various powers. This part of the town is governed by people who are not ultra-conservative in their ideas.

In many ways China is the most self-contained country that I know. The majority of the people travel very little. This isolation of the Chinese village, town, or city largely accounts for its political autonomy. Local customs everywhere reflect and preserve the past. In a Chinese town there is always to be found a natural social leader. What he does, the others aspire to do. He sets the fashions. If his wife appears in a costume different from that of the other women, the rest of them adopt that mode. But in China as elsewhere in the world, such a leader must have the power and poise to maintain his position.

In Kiangsu Province, about eighty miles from Shanghai on the Grand Canal, is a town called Wusih. Just back of the town is a hill which the Chinese call a mountain. It is about fifteen hundred feet high and overlooks Takku Lake. Wusih produces a good quality of rice,

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and around the edge of the lake are many mulberry trees on which the silk worms feed. The Wusih silk is highly rated among Chinese assets, as are the beautiful embroideries for which Wusih has long been famous.

I once went to Wusih on a house boat which I left tied along the outskirts of the village. Wusih is not a treaty port. My passport for traveling in the interior of the country gave me permission to stop in the non-treaty ports for three days only. But no sooner had my house boat been moored on the bank of the canal than I was informed by a young man from the magistrate's office that I could not stop there. However, I presented my papers and explained that I was going to stay for two days only and that I hoped this would be allowed by the magistrate. Later I consulted the official himself. After examining my Chinese passport, he said that I must move my boat to a place he designated, which was very near the spot I had selected. The next morning I called on him again to present my papers and explain my mission. He was a very courteous old gentleman

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and took time to tell me something of the history of his town.

Many years previous an American missionary school for men and women was established there; some of the graduates had gone to Chinese universities or to America for further study. One of them, after finishing his education in an American university, had returned to Wusih. Through his influence his father erected a flour mill equipped with American machinery, which was operated with such success that a second was soon put up. This was followed later on by several cotton mills.

There was a splendid *esprit de corps* in the government of this town, encouraged by a lively community spirit. The suggestions of the city fathers were adopted by the townspeople, who coöperated in carrying them into effect. The mission schools were continued, and students sent abroad. When they returned, their schemes for modernizing the city were put into practice. The town was revolutionized by their efforts. The Wusih municipal council at that time numbered seven men, who collected the taxes,

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which were low, built new streets, and improved the general living conditions of the place. The changes were felt not only locally, but throughout the province. They were respected by the central government, which made no attempt to interfere with affairs in Wusih.

We must bear in mind that the district around Wusih produces rice and silk, both of which are readily sold and which afforded the people a surplus over and above their living. This margin was used by the educated class to erect flour and cotton mills and to encourage the making of silk embroidery. Their interest in these industries has affected their daily lives. I have seen in Wusih a shed in which ten to twenty-five women were working on a piece of silk brocade on which there was not a speck of dust, though the sides of the shed were open. Somehow they managed to keep the silk clean, and when it was finally finished the embroidery was perfect.

Apart from the theatres, the chief amusement of the place is to go up the mountain, which is covered with wild flowers, and to watch the

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sampans on the lake. A sampan is a boat used in fishing with cormorants. The Chinese boatmen are quite alert. When they see a school of fish they signal to the cormorants, who dive overboard and bring back fish in their bills. There is a ring around the neck of each bird to prevent it from swallowing its prey.

In modernizing itself, Wusih has kept many of its old customs. The educated class, acting through the city council, were not willing to do away with the old temple on the Grand Canal, with its crooked stone pathway from the edge of the water into the sanctuary. So the temple and its traditions were preserved. Wusih has increased in wealth from day to day. Instead of yielding prestige to Shanghai, a city of two million people only eighty miles away, it has gone ahead and is still progressive.

From Wusih one can go to Soochow by the Grand Canal or by railroad. Soochow is a city of one million inhabitants fifty-two miles from Shanghai. The city has a wall and a moat around it. Within is located Soochow University. The country around produces principally



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silk, which brings a good price. But Soochow has never made the progress that Wusih has made. Its citizens do not take the same interest in their city that the Wusih people manifest. They are more inclined to go to Shanghai to establish their industries and they are little interested in their own city government. In other words, they seem satisfied to let things drift along. It is hard to understand how there can be so much difference between two towns so close together.

Continuing our journey one hundred and fifty miles from Soochow, we come to Nanking, which is the capital of Kiangsu Province and which was formerly an educational center. Very few modern improvements have been made in Nanking. There are no manufacturing plants. The people have little ambition or vision. The government built a street railway there and paved some of the thoroughfares, but the city does not go forward. I attribute this difference between Soochow and Nanking on the one hand and Wusih on the other to the difference in municipal leadership. Go anywhere in China,



Photo by Ewing Galloway, N. Y.

## FISHING WITH CORMORANTS

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and you will hear of the progress that the people of Wusih have made.

Wusih is governed entirely by Chinese and has always been, but these men have been willing to be influenced by other parts of the world. One finds in Wusih young men reading the latest authorities on city government. They understand what they read and apply it to their own city, taking into consideration, of course, their resources and peculiar problems. The inhabitants of Wusih are eager to show off their town, particularly the four-story hotel with the roof garden. Visitors are told that this hotel is patterned after those in America. One infers from one's guide that all hotels in America have roof gardens.

Forty miles from Nanking, also on the Yangtse River, is the town of Wuhu, in Anhwei Province. This province is the greatest rice-growing district in that part of China. The late Li Hung Chang was a native of Anhwei Province. His tomb is there, and his estate had large interests in this part of the country. Although Wuhu exports much rice, it is not a

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progressive place. There are one or two cotton mills and a brick yard, but the city government seems to take very little interest in improving the town. It does, however, have electric lights. A great many of the Chinese higher officials have come from Anhwei Province. I have never been able to understand why they did not improve the town of Wuhu, where they were born and raised.

In many provinces the Chinese have been content to look backward. They do not seem to realize how delightful it is to create something for a future generation to use and develop. Creating a town, provincial, or federal government is a fascinating undertaking, and I believe that the Chinese will, ere long, catch this spirit from such places as Wusih. Then they will accomplish much, for they have already demonstrated their ability to organize a modern city where they have their own men trained to do the work.

## CHAPTER IX

### IN SOUTHERN ASIA

**S**IAM, one of the far-away, tropical countries which I visited, is famed throughout the world for its white elephants. Bangkok, the capital city, is located on a river about thirty-five miles from the sea coast. On my arrival there I saw a great many elephants, but they were not white, rather of a light dove color. When I asked where the white elephants were, I was told that they were sacred and could not be seen except on special occasions. The first of them I saw was a distinct disappointment, because it was not as white as I had expected it to be.

Shortly after reaching Bangkok, I called at the American Legation to pay my respects to the American Minister, who proved to be a charming man from Michigan. Next I made the acquaintance of the merchants and, in general, laid plans for the introduction of cigarettes. With a stock of them on hand, we were

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in a position to have them on sale in the shops within a few days.

We were not satisfied to rely entirely upon the trade in Bangkok, so I engaged a long, narrow, flat-bottomed boat to take me up the river. The boat drew about two feet of water when loaded with five million cigarettes, our food, and clothing. It was rowed by about twenty-five Siamese oarsmen, who made good time. In thirty days we reached Changmai in northern Siam near the Burmese border. No cigarettes had ever been sold in Changmai before our arrival there. Much to our surprise, however, we succeeded in selling our entire stock of five million within two days. So we put in a station at Changmai and arranged for a regular supply of cigarettes.

Changmai is surrounded by teak forests. Teak is a very valuable wood. In certain seasons of the year the trees are felled, the bark is taken off, and the logs pulled by elephants through the woods to the river, where they lie in the water until flood time. Then they float almost to Bangkok, a distance of about five hun-

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dred miles. They are towed into Bangkok and exported to all parts of the world. I found a North Carolinian in the teak wood business in this town. He had a herd of five hundred elephants, which he kept busy moving logs. They were well trained and did most of the work with very little oversight.

Siam has a large missionary population, a good many of whom came from the southern part of the United States. There is a well organized Methodist mission at Bangkok, which has been there for more than fifty years. They have a school for Siamese girls, which has about five hundred pupils. A great many of these girls become teachers after being graduated from the mission school.

On one occasion, when I was coming up the river into Bangkok on a steamboat, I noticed as we approached the city that the flag over the American consulate was flying at half-mast. On making inquiry, I learned of the death of President McKinley. We had heard that he had been shot, but had had no further news until our arrival in Bangkok. We attended the funeral

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services at the Mission Church. The king of Siam sent a representative attended by an admiral with two hundred sailors and a general with two hundred soldiers, a courtesy much appreciated by the Americans in Bangkok.

Siam produces and exports large quantities of rice. Along the river, above Bangkok, are at least fifty rice mills, which keep busy all the time. Formerly the husks from the rice were dumped into the river and washed away, but an American suggested that they could be used. He arranged to have them brought to the plant that generates electricity for the street car line of Bangkok. Here the husks were burned for fuel. This is still being done, but the rice mills are now also utilizing the husks in this way.

Siam has both silver and gold currency. The coin most frequently used is the "tical." Coins approximating our five-cent, ten-cent, twenty-five-cent, fifty-cent, and one dollar standard are made somewhat round in shape, so that they are easier to pick up than our flat coins. Gold is made into two and a half and five dollar pieces. Both the gold and silver coins are often used as



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coat and vest buttons, which are sold at a good profit by the jewelers. Siam is off the beaten track of tourists, but the few who go always take away a supply of these coins made into buttons.

When I was in Siam an American circus decided that it wanted a white elephant. A man was sent all the way to Siam to get it. He tried faithfully to buy one, but was unsuccessful. After a year's fruitless efforts, he finally found an elephant with some white spots on it. He bought it, sewed it up in canvas, and put it on board a ship *en route* to America. After getting well out to sea, so I am told, he took some hard soap and plenty of water and attempted to wash the black spots off the elephant. He did not succeed, of course. But the proud lexicon of youth knows no such word as failure. The man painted the elephant, took it home, and told the manager of the circus that it was the best he could do. A competing circus accused this one of not having a white elephant, and the fact was freely admitted. But because of the story, circus-goers developed just as much curiosity to

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see the poor elephant as if it had been snowy white.

Malay is a wealthy country which interested me very much. It produces tin, rattan, pineapples, cocoanuts, bananas, tigers, elephants, monkeys, and rubber. America draws its principal supply of rubber and tin from here. The food is not very good, and when we left Malay after three and a half years' residence there, we decided we would never again eat pineapples, cocoanuts, and bananas, for we had eaten them three times a day during all that time.

The climate of Malay is very trying in all seasons. Singapore, the chief city, is near the equator. I have known it to rain fifty inches in a night there, and it rains nearly every day in the year. There is no twilight. The sun rises and sets at six o'clock the year round. The only possible time to get cool is just before the sun rises in the morning. But there were no complaints as we went along the road. They would have been useless. Moreover, we were quite satisfied with the progress we were making. Sometimes, back home, when relating our ex-

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periences to our friends, some of them intimated that a man was foolish to go to such places. A new man engaged by our company was always warned of the conditions under which he would have to work. Whereupon, some of them said: "I don't want the job." It was the pioneer aspect of the work that appealed most to us, the going into strange lands with an American product.

While I was in Malay, a friend of mine in America decided that he would like to present his home town with two tigers. Knowing that I might be able to get them for him, he entrusted me with his commission. I knew the secretary of the Sultan in Malay quite well and spoke to him about the matter. He, in turn, went to the Sultan, who made me a present of the two beasts to be shipped to my friend for the zoo of his home town. So I sent word to my friend that the creatures were ready to ship. He replied that he would make arrangements for their transportation.

Time dragged along, as it has a way of doing in the East, and after I had fed the tigers for

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eighteen months and paid for a man to look after them, my friend notified me that he could not take the tigers, as he had no way to get them to the United States. My friends, including the Sultan's secretary, teased me unmercifully when they heard about it. Finally, I decided to stage a hunt in front of the cage containing these two tigers. After they had been killed, we had our photographs taken alongside them to look as if we had caught them in the open. So, at least, we had the pleasure of sending the pelts and these pictures to some friends back home.

Little episodes like this kept us diverted. We were often in places where cholera, plague, leprosy, smallpox, and other contagious diseases made life precarious. We needed to escape thought of them. As years went by, and we received phonographs and records from home, we spent many enjoyable evenings with the music they afforded. As we became better organized newspapers and magazines were sent us from home. Although some of them were six months old when received, we enjoyed them enormously.

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We read all the advertisements as well as the text. They kept us in touch with what was going on.

Burma is known the world over because of Kipling's song, "On the Road to Mandalay." Its products are teak, rice, elephants, tigers, rubies, and oil. It is a prosperous country, well-governed by the British. Although Burma produces much tobacco, her people smoke a good brand of American cigarettes. The Burmese are very friendly and are unique among Asiatic peoples in that almost all of them wear silk. They derive enormous profits from their rice, which is exported to all parts of the world. Japan draws a great deal of her supply of rice from here.

In Burma, too, elephants are trained to handle logs for the saw mills. They go out in the morning as would a day laborer and go about their business with very little direction. Two elephants work together, taking up the long pieces of timber with their trunks and putting them in piles eight or ten feet high as neatly as men could do. They respond promptly to the

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lunch bell. If they have a piece of timber in their trunks ready to stack, they drop it and go to the stable to be fed. When the next bell rings, they come out of the stable to take up their task again. But, like a man on union hours, they will not toil a minute after the bell rings to stop work.

While in Rangoon our party planned a trip to the Shan States, which lie along the Chinese border. We were to be gone about three months and looked forward to the trip with great interest, as we had never been in that part of the world before. Everything was in readiness to start. Very early in the morning of the day of our departure I received a cablegram announcing the death of my father. I went right on with the trip and did not tell my friends about the message until a few days later. My remaining behind could have accomplished nothing for my father, and I would have been miserable. Time is a great consoler, and my work helped me to forget my sorrow.

Our trip into the Shan States was very interesting. At Bhamo we found that the only way

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we could get our cigarettes into the interior was to repack them in cases that would fit the backs of donkeys. These cases had to be tin-lined to prevent the cigarettes from getting wet when it rained. On the first venture we sent one hundred donkeys carrying our merchandise. So far as I know, this method of transporting cigarettes in tin-lined cases into the mountains of Yunan Province is still in use.

We frequently had to adopt such methods of transportation to market our goods. Where facilities were meager we sometimes even used the mail routes to send small parcels of cigarettes into the interior. We knew that our tobacco was good, and we used every endeavor to distribute it economically, so that people with small purchasing power could enjoy it. Although our merchandise was produced in the United States, from which we were sometimes twelve thousand miles distant, we succeeded in keeping our cigarettes within the means of the Oriental consumer.

The idea of going to India had always strongly appealed to me. I do not remember

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when I first became interested in the country. It must have been in Australia, or on one of the many steamship voyages that I made, during which I had plenty of time for reading. The story of Sir George Grey's conduct, when he was governor of Cape Colony many years ago, seems to be one of my earliest recollections of India. The British government had sent two ships to land troops in Cape Colony. In those days there were no cables, but Sir George Grey had somehow heard of the mutiny in India. On his own initiative he ordered the two troop ships to sail for Calcutta, where they saved the day for the British. Sir George had exceeded his authority in so doing, but when the whole affair became known, the war office complimented him on his good judgment. Later, he was made governor of South Australia. When I knew him, he had just finished a term of office as governor of New Zealand. On two or three occasions I heard him relate his experiences in Australia, and I had the honor of seeing him sail from New Zealand on his last voyage home to England.



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The British have ruled India for almost a century and a half. Their government of India's three hundred and thirty millions of people, whose religions are so varied, has been a great piece of work, despite the adverse comment that finds its way into the press of various countries. On one of my trips to India I met a Frenchman going out for the first time. He had read a great deal about British rule in India, but his criticisms showed a lack of first-hand observation. Our acquaintance was of the sort one makes on a long steamship voyage, but as I had been through India several times, I felt that I had a better right to my opinions than he had to his. I told him that I thought British rule in India was a success and that I doubted seriously whether any other nationality in the world could have governed India as well. I even told him I was certain that the French could not have done so.

I entered India for the first time through Calcutta after a two days' steamer trip from Rangoon. It did not take me very long to get my bearings. Before I could attempt to market

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my products in India, I had to familiarize myself with the currency of the country. The purchasing power of the native East Indians is very small. Their coins are pie, pice, annas and rupees; sixteen annas make a rupee. An anna is worth about two cents in American money.

So I set to work to plan a package of cigarettes which should be made in America, but sold for a coin current in India. I had to take account of the cost of manufacture, freight, insurance, a five per cent. ad valorem duty in India, the wholesaler's profit, the retailer's profit, and a profit for our company. I even took into consideration a prospective increase in price of the raw materials in America. The resulting package contained ten cigarettes and was sold to the vast population of India for an anna or two cents. That it could be done at a profit may astound the ordinary person; even he will appreciate the necessity of having a tremendous volume of business when working on so small a margin. We had to expand our Indian business as quickly as possible to reach the

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required proportions. We had to acquaint ourselves with the commercial etiquette of the country and to learn the freight, express, and the parcel-post tariffs. It was like putting one's shoulder to a mired wheel and applying sufficient force to lift it out on the first trial.

To merchandise successfully in India one has to have the patience of Job. The climate, which is very trying except in the mountain district around Darjeeling, makes it impossible to use Western business methods. We were obliged to make constant concessions to the religious customs of the people. Sundays are business holidays as with us. But in India one must observe, besides Sundays, one hundred and nineteen religious holidays. This leaves not many more than half of the days of the year for work. As our office staff usually comprised members of different religious sects, each claiming his peculiar festivals, the office was constantly upset.

All business offices in India must have a special room into which Mohammedans can go to worship. There must also be a Mohammedan

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office boy to wait upon any Mohammedan merchant who calls; for if this merchant wants a glass of water it is necessary for it to be passed to him by a Mohammedan. No one else can do it, and assurance must be given that no infidel has ever drunk from the glass. Many Mohammedans insist on carrying their own drinking water, which they take directly from the bottle. But this bottle may have to be passed by a Mohammedan servant. In all matters of religious custom and local etiquette we deferred to our customers.

In writing of the many sects in India, the Parsees should not be overlooked. There are in the world today about seventy thousand Parsees, most of whom live in India. They are a very conservative people and do not intermarry with other sects to any great extent. Most of them are wealthy, educated, courteous people. Just outside of Bombay on Malabar Hill they have built their Tower of Silence. This is a cone-shaped building about one hundred feet deep and two hundred feet wide at the top. At intervals inside the cone are ledges, built out

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about ten feet. When a Parsee dies his body is put on one of these ledges for the vultures to devour. Placing their dead in the Tower of Silence is an important Parsee religious rite. In our organization in India we had a very reliable Parsee gentleman. We were never able to persuade him to smoke a cigarette. Though the Parsees are fire-worshippers and will not indulge in smoking, they will engage in selling cigarettes.

There is another interesting phase of doing business in India. I had often heard that office records there could not be kept private. To a large extent this is true. For five rupees, or a dollar and sixty cents, one can ascertain the amount of another man's bank balance. On one occasion I dictated a letter to my native stenographer. After I had signed it, I ordered it to be copied into an ordinary letter-copying book. I then took the copying book and put it in the safe, cautioning my stenographer not to let anybody else see it. As the safe was open most of the day, however, he had access to this book. I had phrased the letter in such a way that if its

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contents' became known I would undoubtedly hear about it.

Five or six weeks later I received a call at my house one evening from a native, who asked me if I was responsible for the letters I wrote and signed. I told him that I certainly was if they were genuine. Thereupon, he produced a copy of my letter, which I read and assured him I had dictated. When I questioned him with regard to his having possession of a copy of my letter, he said that he had bought it from a person in my office, not my stenographer, and had paid ten rupees for it. The man's having a copy of the letter made no difference to me; I had merely wanted to test the truth of the reports I had heard.

The province of Bengal produces most of the jute of the world. Its fibre goes into the manufacture of grain bags, rugs, and bagging for cotton. Calcutta is the great jute manufacturing center. The jute trade has made the people of Bengal more prosperous than the inhabitants of most of the other provinces of India. Their higher purchasing capacity is reflected in al-

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most everything they use. The Bengalese smoke a very good grade of cigarettes.

The railroads in India provide excellent service. The highways are very good, too, except that, in some parts of the country, where the roads are surfaced with limestone, they are very dusty. The forests in India are well cared for by the British. When a tree is felled, another is planted to take its place, so that the forests are kept replete. The railroads do not have to go out of the country for their supply of cross ties, which is a big saving to them. Forest land in India returns a very good income on the money invested in it.

There are many beautiful temples in India. Many of them are very old, but they are in a good state of preservation. The Taj Mahal, the tomb of a rajah and his wife, is without doubt one of the most wonderful sights I have ever seen. I am not particularly keen about sight-seeing. But in the course of my wanderings, I could not resist visiting India's temples and her world renowned cities of Cawnpore, Lucknow, Benares, Delhi, and Agra. Our work was more

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thrilling, however, than sight-seeing. It was pioneer work, blazing the way for the future. We kept constantly in mind the brave spirit of our American forefathers. Perfectly fresh in our memories were the trials and hardships endured by Lewis and Clark in their journey across the American continent. To-day India no longer smokes her old hookahs. They have been displaced by cigarettes. To me it was fascinating to be able to play a part in establishing the cigarette trade in India.

In 1898, when I first went to India, the bubonic plague was prevalent in the country. At one time in Calcutta there were three or four thousand deaths a day from the plague. The government had strict quarantine regulations in effect. Every forty miles or so trains were stopped, and the passengers lined up on the platforms of the railroad stations for a thorough examination. Those who did not stand the test were immediately put into a plague hospital for further inspection. We used disinfectants of all kinds and seldom went without smoking a cigarette, because we had an idea that the smoke



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would kill the germs. We did not get panicky in the face of the plague. We used every precaution possible and were not stricken.

Our doctors had advised us to carry a clinical thermometer with us on all trips in India and to take our temperature at intervals during the day and, if necessary, at night. We complied with this medical opinion for three or four months, after which time we decided not to bother taking our temperature. Much of the time we were running a slight fever, which it did no good to think about, and a high fever would have made itself known without the aid of a thermometer. Despite our good intentions not to be depressed by the prevalency of plague and other diseases, we must have been uneasy at times with regard to our health. I recall getting dressed one morning to go to the office. It was in Calcutta, and we had a friend in the house who was quite a large man. While waiting for him to come to breakfast I inadvertently put on his coat to take a walk about the garden. Presently it occurred to me that I was thinner than I ought to be. Indeed, I became quite

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alarmed about myself. On my return to the house I was met by our guest, who told me that I was wearing his coat. When I put on my own which fit me, I suddenly felt much stronger.

## CHAPTER X

### ISLANDS AND INCIDENTS

**I**T WAS in 1888 that I first visited the Samoan Islands. For many years the United States had a coaling station at Tutuila, a port which our government still occupies. The Samoan Islands, at that time, were governed by a native king, but a convention had been entered into between the United States, England, and Germany to appoint a chief justice from a neutral country. The appointment was given to Mr. Cedarcrantz, of Denmark, who came to the city of Apia. After two years he resigned and was succeeded by an American, the late Chief Justice Ide, who also took up his residence in Apia.

Apia is a very beautiful port. It was there that I met and became well acquainted with Robert Louis Stevenson. Because of his tubercular condition, the climate of Apia was well suited to him. He built a house on the mountain side of the port, where he spent the latter part of his life. When he died, he was buried in Apia.

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He was a charming man. I greatly enjoyed our many chats together.

Once when returning from Australia to San Francisco on the good ship *Mariposa*, Captain Hayward, we were scheduled to stop at Tutuila Straits. Here we were to be met by a boat from Apia and were to take on mail and passengers bound for San Francisco. On the afternoon before we were due at Tutuila Straits, the barometer went down to twenty-nine, whereupon Captain Hayward immediately gave order to batten down the ship. All the port holes were closed, and the vessel was made as snug as could be to weather the typhoon, which we knew must be in the vicinity. Though our ship was in only the outer edges of the typhoon, the wind and waves were in a fury. Toward nine o'clock in the evening we shipped a sea which carried away two life boats and about twenty feet of guard rail from our main deck. Very few of the passengers had come to dinner. Many of them were much alarmed at the fierce storm. However, during the night the storm blew itself out. Early next morning, in a calm

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sea, we reached Tutuila Straits about eight hours late. Here we found a small schooner, which had come up from Apia sixty miles away bringing an order from the Commander of the United States naval vessels there for our captain to report to him immediately.

At Apia we began to realize the havoc done by the typhoon. We found two German naval ships lying high and dry on the beach. Two American naval ships, the *Lebsic* and *Vandalia*, under the command of Captain Richard Leary, an officer of great ability, had gone down in the storm. An English war-ship, the *Calipore*, which was lying in the outskirts of the harbor, had weathered the gale and got out to sea, but had come back and was again in port when we arrived. The beach was strewn with the bodies of American sailors from the ill-fated ships.

A courageous native of Apia had been instrumental in saving the lives of a great many others. He organized a human life line by tying a hawser to a cocoanut tree on the beach and winding it around the bodies of a hundred native Samoans, who went out in the surf to res-

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cue the drowning Americans. Those caught were passed along the life line to the beach. The man on the end of this line was given a vote of thanks by Congress. The king of Samoa received a barge built especially for him by the United States. We on the *Mariposa* carried a great many of the more disabled sailors to a hospital at Honolulu, twenty-two hundred miles away, and the convalescents to the naval hospital in San Francisco. This was my first experience with a typhoon.

Years afterward in Apia I saw the two German war-ships still lying on the beach, rusting away. The United States had salvaged her sunken vessels. Also, long after the typhoon experience, I met on the China coast a Captain Jackson of the United States Navy, who had been an ensign on one of the warships which were lost in the harbor of Apia. To-day that port is a mandate of New Zealand, but Tutuila is still governed by the United States.

Thinking of Captain Leary reminds me of a story of his resourcefulness which we heard in Apia. He had had an argument with the German

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Admiral regarding the procedure to be taken in entering the port. The German Admiral insisted that unless the King of the Islands met his demands, he was going to bombard the city. Captain Leary thought this unnecessary and would not agree to it. However, under the rules and regulations of the United States Navy, he could not force the issue with the Admiral, who outranked him, to the point of opening fire on the German ships. The United States cannot go to war without the consent of Congress, and at that time there was no cable connection between the Samoan Islands and the United States. Consequently, Captain Leary had to think quickly of a plan to prevent the German ships from shelling Apia and at the same time to put himself in position to protect his own ships, if need be. So he pulled up anchor and moved nearer the shore, so that the American flag was flying between the German ships and Apia. He then notified the Admiral that if he fired over the American flag, he would have to take the consequences. Needless to say, the Germans did not bombard the port.

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The Dutch East Indies, comprising Java, Sumatra, Dutch Borneo, and the Celebes, are interesting tropical islands, noted in general for their rubber, coffee, sugar, spices, tobacco, timber, and petroleum, which is produced in large quantities. Holland has successfully governed these places for over three hundred years. The Dutch have a genius for working in harmony with the inhabitants of their colonial possessions. When residing in the tropics, they adopt, as nearly as they can, the diet of the natives, which seems to agree with them. Both the Dutch and the native young people go to the same schools and often intermarry. The children of these marriages are received in good society.

The Dutch officials administer the local government in a very simple manner. Take, for instance, the tax on rice. When the rice is harvested, the heads are cut off and tied up in small bundles. Then the Dutch government takes so many bundles in lieu of taxes; the land-owner, so many for his rent; and the rest goes to the man who grew the rice. The thing is done in



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such a way that all parties concerned can see that the division has been fairly made.

No one ever seems to be in a hurry in the Dutch East Indies, but much is accomplished just the same. In Java a railway journey is begun early in the morning and continued until about seven o'clock in the evening, when the through passengers get off to spend the night at a convenient hotel. The journey is continued the next morning. The Dutch residents, as well as the natives, are very hospitable and polite. Hotels are very good if one can eat Dutch food, which in Java consists principally of curry, rice, and fish. There are many beautiful spots in Java; among them, the Botanical Gardens at Beitzenberg, which are sought out by botanists from all over the world. The old temples of Java are worth visiting.

Sumatra produces a very fine type of cigar-wrapper tobacco, which is exported to the United States. This tobacco is grown by Dutch farmers, who thoroughly understand its cultivation. Their plantations are equipped with every modern convenience. I have often thought

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that a tobacco planter in Sumatra is a real prince.

From the Dutch East Indies let us go on to Ceylon, which has been modernized under British rule. Colombo, its principal port, is the crossroads of the Indian Ocean. All of the steamers plying between Europe, Australia, New Zealand, Tasmania, and the Far East call at Colombo and usually stop one day. This gives the passengers an opportunity to see the "Spicy Little Island," as it is often called because of the many spices grown there.

About half way up the mountain side is the town of Kandy. It is reached by rail *en route* to Nuwara Eliya, which is located alongside of Adam's Peak, seventy-five hundred feet in elevation. The story is that Adam stepped from the peak in Ceylon across India to the Himalaya Mountains. I do not vouch for this story, but a footprint is surely to be seen in the rock on Adam's Peak. From the deck of a steamer, coming into Colombo one morning, I saw the British Royal Standard at half-mast. Ceylon was mourning the death of Queen Victoria. I

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attended funeral services in her honor held in the public square by the sea.

In moving about the world as I did, I met not only people of a great many nationalities, but many types of character. Once on my way to China from Calcutta I went through Colombo. The morning following my arrival there, I went into a bank to get some money. There were other people before me, and I had to wait about half an hour. While I was waiting, my attention was attracted to a distinguished-looking American couple. The man was about thirty years of age, and his wife was about twenty-five. Their appearance and conduct made a very favorable impression upon me. But when I had received my money, I went out to purchase a steamship ticket to Hong Kong, and the young couple passed out of my mind.

The next day after my ship had left Colombo, I went on deck after getting settled in my cabin. The first persons I saw there were this young American and his wife. He had a French bulldog on leash, which I estimated had probably cost him at least a thousand dollars. As he

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walked around the deck, the passengers insisted on petting the dog. I watched this performance for some time, until I concluded that the dog was an introduction to anyone whom these people might want to meet. This later proved to be the case.

The journey from Colombo to Singapore took five days, followed by another five to Hong Kong. Our complement of passengers was thirty persons, which meant that we all sat at the same table in the dining saloon. The young woman sat at the right of the captain and her husband on the captain's left. My place was on the other side of the woman. Our conversation was along stereotyped lines. We talked about the weather, when we should arrive at the next port, how long we should be there, and that sort of thing. Apart from an exchange in the courtesies of the day, very little conversation took place between these Americans and the rest of the passengers, who were, however, very much interested in them, as they were traveling with two Indian servants. Moreover, they bore the name of a very prominent and wealthy

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family in the United States, a name seen frequently in the society news of the American press.

When we went ashore in Singapore, these two kept to themselves and soon returned to the ship. The day before we arrived in Hong Kong I was sitting in the lounge reading, when the young man addressed me for the first time outside the dining saloon. He explained that there was to be the usual captain's dinner that night and that, when traveling, it was his custom on that occasion to order champagne for each passenger. He asked me for no comment, but I told him that I could see no reason why he should do this, as many of the passengers probably did not drink champagne and might not, perhaps, understand why he was providing it. Nevertheless, when we went down to dinner, there was a bottle of champagne at each plate, thirty bottles in all. One or two of the passengers drank some of the wine, but the greater portion of it was left untouched, as I had expected. Very few experienced travelers accept courtesies of this kind. However, the dinner

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went off very nicely, and afterward we went up on deck.

Though there was nothing in particular to excite my curiosity, I was at a loss to understand this couple. While the young lady and I were strolling about the deck, I suggested that I could not see why they should be traveling in this part of the world in preference to being in New York, where things were more convenient and where their friends were. She frankly admitted that she was tired of traveling and did not propose to continue after completing this trip. Presently, her husband joined us. He asked me what time I intended to go ashore the next morning. When I told him at seven o'clock, he asked if he could go with me. I suggested that it was rather an early hour for his wife, but he seemed to feel that, since the ship was going to be in Hong Kong for several days, she could take her own time and go ashore later.

Promptly at seven the next morning we left the boat to find a hotel. We had breakfast together, during the course of which he asked me to go to the bank with him. Although I did not

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know anyone in the establishment there, I accompanied him. He presented a draft on a bank in Manila for three thousand dollars. The draft was honored without involving me in any way. As I had other matters to attend to, I bade the man good-bye on our return to the hotel. He sailed for Manila that same day.

After being there a week or so, he sent his two Indian servants back to Hong Kong with a letter to me, asking me to see that they be safely put on board a ship for Calcutta. Having lived in India where I had always been treated very pleasantly, I was indeed glad to arrange passage for these two Indian servants. But I could scarcely believe it when they told me that their erstwhile employer had not given them sufficient money to pay their way back to India. Being in a hurry, I gave them a few dollars and sent them to their native country.

A few weeks later I took passage from Hong Kong *via* Vancouver for New York, a thirty-days' journey at that time. My business in New York took a few days. Then I sailed for London. We had just got under weigh, and I was

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arranging for my seat at the table, when someone came up behind me and put his hands on my shoulders. Looking up, I recognized the young man with whom I had parted company in Hong Kong some weeks previous. He said that he wished to see me. Wanting to see that my baggage was safely in my cabin, I invited him to join me there. He came to tell me that his name was different from the one by which I had known him on our trip from Colombo to Hong Kong. I told him that I had no objection to calling him by a different name, but that I thought we should have a thorough understanding.

He smiled and asked what sort of explanation I wanted. I told him that I had about come to the conclusion that he was a crook and that if he would honestly admit it, I would call him by the new name. He agreed at once. I inquired for his wife, only to learn that the lady who had been traveling with him was not his wife, but an accomplice, whom he had chosen because she was good-looking, clever in conversation, refined in manner, and for these reasons very useful to him in meeting the class of people he was



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always seeking. I encouraged him to be quite frank with me. At the close of our interview he invited me to meet a woman who was one of our fellow passengers. I was surprised to find a person about sixty-five years old.

During the voyage we saw quite a good deal of each other. I could not understand the tie between the young man and this elderly lady. I tried hard to find out what it was, but did not succeed. One afternoon, when she and I were talking, I asked her if she believed in spiritualism. She said that she did, so I gave her a letter from my mother and asked her to describe in writing the character of the woman who wrote the letter. I now have that description in my scrap book. It led me to believe that the woman had a good insight into character as revealed by handwriting. But I have never considered it as evidence for spiritualism.

Our boat made a stop in Queenstown, where an Irish woman came aboard to sell laces, from which I selected a present for this elderly woman. The next morning we arrived in Liverpool, and I boarded the first train for London.

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Whom should I find in my compartment but this same woman and young man? It seemed as if our paths were the same. In London they insisted on riding in the same cab with me to the hotel. I determined to find out more about them.

I stepped out of the cab first and slipped a gold sovereign into the hands of the German taxi-starter who greeted us. He looked at the sovereign, put it into his pocket, and then looked at me. By this time my companions had stepped out of the cab and had gone into the hotel. I paid the cab fare. Then, turning to the German, I told him that the man and woman who had just gone in were friends of mine and strangers in London, and that I wanted him to look after them and let me know where they went during their stay in town.

At noon the next day, on entering the hotel, I saw the man to whom I had given the sovereign. He told me that my friends had gone around to a pawn shop on a street behind the hotel. I thanked him and went into the building, only to go out the back door to the pawn

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shop. The broker said that the persons I described to him had not been in. So I told him I had promised to meet them at his shop and was a few minutes late and asked him to say, if they came back, that I had gone to the hotel. Then he told me that they had left just a few minutes before and added that he thought they had been on their way to the same hotel. I asked if they had arranged everything satisfactorily with him. He assured me that they had, that the pawn tickets they held had had only three days more to run, but that the pledge had been redeemed.

I returned to the hotel, where the young man himself told me that they were leaving the following morning for Canada. This surprised me very much, as they had been in London only about thirty-six hours. After some good hard thinking, I decided to talk things over with him. I had seen enough of him to feel sure that if he had directed his ability into legitimate channels he could have been a wealthy and highly respected man. I told him this and also warned him that, though I did not know his present

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companion, I would make it difficult for him if he molested her in any way. I demanded a guaranty from him on the spot that he would not harm her or take money away from her. To let him know that I was in earnest, I told him what I had learned from the pawn broker about his redeemed pledge, which I supposed he was taking into the United States *via* Canada to avoid paying duty. He was somewhat taken aback, but asked me to listen to his story.

The year before he had been in Venice with practically no money. One evening he stepped into a gondola. When it stopped again, a titled lady came on to whom he gave his seat. She thanked him in French, saying that only an American gentleman would have given up his place to a lady. Presently there was a vacant seat beside her, and she asked him to sit down. During the few minutes conversation they had, he took from her neck a rope of pearls worth about two hundred and fifty thousand dollars. He put them into his pocket, tipped his hat to the lady, alighted from the gondola, and went to Paris.

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All over Europe the next day, the pearls were advertised as stolen. He became frightened, left Paris, and went to London, where he pawned the pearls for one hundred thousand dollars. Taking with him as a blind the girl whom I had first thought to be his wife, he bought tickets for Calcutta and sailed for India. There he passed himself off as a very wealthy American and plunged on the race tracks to the extent of one hundred and fifty thousand dollars, which he requested the book makers to collect in New York. When I met him on the ship in Colombo, he was on his way to New York.

The woman now traveling with him, he had met on the train. After some consideration he had taken her into his confidence and made the following proposition. She was to go with him to London and advance a hundred thousand dollars for redeeming the pearls. Also she was to pay his expenses and give him five thousand dollars. Then the pearls would be hers. It had been done as agreed. Now they were returning to America. She had the pearls, and he did not propose to take them away from her. He would

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very much rather see his dear friend have them than the pawn broker. The five thousand dollars was the only money he had made in the past few months. He considered the transaction perfectly legitimate. He finished by saying: "Now let me alone. I am a crook, but not a cheap one."

I followed this man's record for some years. He finally landed in prison and is there yet so far as I know. The woman who received the pearls had told me the name of her native town in America. It was in the West, a place in which I happened to have some friends. I later learned from them that she did live there and was very wealthy.

In 1904, on the advice of my doctor, I left Calcutta by ship for Colombo, Ceylon, a five days' journey through the Bay of Bengal. I had a very bad case of malaria. My physician in Colombo sent me on to England. The ship's doctor was not very encouraging. On the first day out from Colombo he informed me that if he had known how ill I was he would not have let me sail, since the diet I required could not be

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had on board. I did not pay much attention to what he said. I did not know what the matter was with me, but I did know that I had paid for a ticket which included my meals. After a talk with the chief steward and my cabin steward, I succeeded in getting what I wanted.

It was thought that the sea voyage would be beneficial to me, but after thirty-some days I arrived in London feeling no better than when I left Colombo. I consulted several doctors in London, who examined the prescriptions given me in India and Ceylon. It was decided to change the treatment. But the change did me no good.

From London I went to New York in response to a cablegram from the company. On my arrival I had an interview with Mr. James B. Duke in which I undertook to tell him something of the business in India. After listening to me for a few minutes, he interrupted to say that my job as he saw it was to get well, that I must turn over to the office any papers I had and pay no attention to anything but my health. He advised me to go to Saratoga Springs, New

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York, for the mineral waters. I acted on his advice, but no sooner had I reached Saratoga than I received a telegram from Mr. Duke, saying that he had consulted a doctor who thought it best for me not to drink the mineral waters there.

So I made myself as comfortable as I could in a hotel and kept out of doors as much as possible. I went to the lake every morning, engaged a boat, and fished all day long. But still I got no better. After three weeks, I decided to return to New York. I told Mr. Duke and his brother that I was very much discouraged, since my health was not improving, and that so far as I could see it would be best for them to secure someone to take my place in India. I did not want them to hold my job open any longer.

Mr. B. N. Duke's only comment was to ask me to have breakfast with him the next morning early. Over our coffee he suggested that I consult a Dr. W. Gill Wylie, whom he recommended very highly. He even insisted on going with me to Dr. Wylie's office. I had no real objection to seeing another doctor; but after



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having consulted so many of them in Calcutta, Ceylon, London, New York, and Saratoga, I doubted whether anyone could help me. Dr. Wylie received us immediately. Being under the impression that he was a very expensive doctor whose time I could not impose upon, I at once told him my symptoms. He seemed to pay no attention to what I said and wanted to tell me about a fishing trip he had just taken and about his golf. I was not much interested, because I had recently had a great deal of fishing, which had not helped me, and I was certain that I was not physically strong enough to walk across a golf course.

Finally Dr. Wylie examined me and gave me a blood test. While he was scrutinizing my blood, he turned to me and said: "Where in the world have you been living?" I told him in Asia, principally, and in India, Ceylon, South China, the Philippine Islands, and Malay. He said that I had the worst case of malaria that he had ever seen in all of his experience. He was much interested in my case and soon had the malaria in hand. I spent three weeks in a

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hospital. Then he pronounced me cured and sent me to the country with orders to stay out of doors as much as possible. This I did, and in thirty days I gained twenty-five pounds and felt well again.

While I was convalescing in this country, Mr. John M. Flowers, who was employed by the Company in China, died of small-pox. His body was shipped from Shanghai to Durham, where I attended his funeral. He was a man respected highly by his colleagues in China, and the friends he made during his stay there often spoke of him years after he was gone.

I had never been to the inauguration of a president of the United States and was much pleased when Mr. and Mrs. B. N. Duke kindly invited me to join a party of about twenty people who were going to Washington for Roosevelt's inauguration. The party consisted largely of young ladies from North Carolina. The late Angier B. Duke and I were commissioned by Mr. Duke to look after the young ladies and to make sure that they saw the interesting sights. When we arrived in Washington,

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we found that Mr. Duke had already engaged hotel rooms for the party, had engaged seats for us on Pennsylvania Avenue, and had arranged for places for us on the steps of the Capitol close to where Roosevelt was to take the oath of office. So our duties were very light. Nevertheless, Mr. Duke, who was in New York, called us up every day, often three or four times, to know if we needed money. I suppose he thought that two men in Washington with twenty or more young women would want quite a good deal of money. But as a matter of fact, everything was so arranged that we found it quite impossible to spend the money we did have.

This story is related chiefly to show the great interest that the Dukes took in the men who were working for them. It seemed to me that they made it their business to repair a man who was ill as surely as they would repair a cigarette machine that broke down. Needless to say, care of this kind was greatly appreciated throughout the entire company. It was really remarkable how they kept in close touch with the

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business in all countries. They were both great advocates of good citizenship and fair dealing. Their example was followed by their men, who were loyal to them in every way.

In traveling in Japan I was surprised to find that one could buy old-fashioned pound cake almost anywhere in the country. As Japan is a much older country than the United States, I was curious to know whether the Japanese had invented pound cake and passed it on to America, or whether they had learned about it from us. Upon investigation, I discovered that when Admiral Perry anchored his fleet in Mississippi Bay near Yokohama, his cook frequently made delicious pound cake, of which the Admiral was very fond. On one occasion he instructed this cook to make several pound cakes, which he presented to some Japanese officials who were his friends. They liked the cake very much and requested the Admiral to give them the recipe, which thus became known in Japan.

People learn all sorts of customs from each other. Once a Japanese naval officer came to see me and said that he wished to buy some Bull

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Durham tobacco. I received him with the courtesy due his rank and concluded that he had been in America where he had learned to smoke Bull Durham. I told him that I would be very glad to supply him with all the Bull Durham he wanted, and immediately sent out to our storeroom for a five-pound carton, which I insisted he accept with the compliments of the company. He thanked me profusely, but said it was not sufficient for his wants, that he wished to purchase twenty-five thousand pounds. Needless to say, I was utterly astonished. I asked him what he intended to do with that much tobacco. He explained that it was for Japan's naval and army officers, who had learned about Bull Durham from the officers of the United States Navy. He wanted this tobacco to be supplied at once, which we were glad to do.

There was a time when United States army and navy officers smoked nothing but Bull Durham, except perhaps in deference to a host who offered something else. But their real smoking pleasure was derived from Bull Durham, which

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they carried with them everywhere. The rank and file of both the Army and Navy smoked Bull Durham, not only because the officers did but because they liked it.

While I was living in India, the British government sent some sort of expedition into Tibet, which is the roof of the world. This expedition was organized in the thorough manner characteristic of the British army. It was headed by General Younghusband. One of his officers took up with me the question of supplying the expedition with tobacco and cigarettes, just the sort of thing I loved to plan. To maintain connection with the outside world a field telegraph was to be provided and a field parcel post, which was to be manned by about seven thousand East Indian mountaineers who were familiar with the country. The supplies we sent to the expedition would have to be carried by them the last part of the way. This meant that we had to conform to the regulations of this field parcel post. Orders from the expedition would have to be quickly dispatched. So we packed the tobacco in tin boxes, some of which weighed

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about two and one-half pounds, others five pounds, and shipped them by rail to a place in India called Suguri. Here the boxes were placed in the canvas pouches which fitted the shoulders of the East Indian runners and were carried to their destination. Thus Virginia and North Carolina tobacco found its way into Tibet and Napaul.

The ruling rajah of Napaul levied a tax on cigarettes in his district. But he found it very difficult to prevent cigarettes from being smuggled in from the adjoining provinces and finally took the matter up with us. It was decided to sell especially marked cigarettes directly to the Napaul government. These cigarettes, on which a tiger had been printed, were distributed throughout the district. If the tax collectors found on the shelves of a dealer cigarettes bearing some other mark, they were confiscated. This scheme worked very well and has been the means of a steadily increasing revenue for the government of Napaul.

No matter where we went, we tried to give the people the kind of service they wanted. We

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were working with too many people to undertake to change their ideas. Moreover, changing even one person's ideas is sometimes a very difficult thing to do. If possible, we supplied our customers with goods in the way they wanted them. We never on any account took part in local or international political issues. We were not qualified to do so. Moreover, we might have, by so doing, become involved in affairs which would have hindered our work.

We often helped the people of the districts in which we did business to find better markets or higher prices for their commodities. We won over many a prospective customer by our ability to discuss his local business problems with him. When Germany put cheap synthetic indigo paste into the markets of the world, it ruined the vegetable indigo farmers in India, who were obliged to take up some other crop. While the change was taking place, nothing else was talked of in that part of India. We learned a great deal about synthetic and vegetable indigo paste. If we visited a country where sheep were raised, we had to be intelli-



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gent about sheep. Long ago in some of the far interior provinces of India shells were used as money. In these places we traded cigarettes for shells. If we found a district where ivory was current, ivory was accepted. This policy paid in the long run. With some experience trading like this is not as precarious as it sounds. A close observer can usually determine fairly accurately the purchasing power of a country by its products.

In some parts of the world I could not make acquaintances as quickly as I should have liked. I found people reticent, snobbish, or suspicious in their attitude toward strangers. I remember a town in Australia where I was lonely at first. I used to stop to talk to the newsboys. Buying a paper served as an introduction to them. They discussed a great many things with me. I came to look forward with much pleasure to my evening meetings with these young urchins, who sold papers for a living. They were a fine lot of young fellows.

One evening I invited four or five of them to have dinner with me the following Sunday

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night at a restaurant where a good meal could be had for twenty-five cents. The boys asked me how many I wanted to invite. I told them I would like to have all the newsboys in town. To this they replied that there were at least two hundred of them. I maintained that I wanted them all, so these boys issued the invitation, while I went to the restaurant to arrange for the party. When I told the proprietor of the place what I wanted, he was much pleased, but I could see, after some time, that something was bothering him. So I offered him a deposit of twenty-five dollars on the dinner, which seemed to make everything all right. On the appointed evening at six o'clock the boys began to arrive. About one hundred and eighty came, and we enjoyed ourselves very much.

Before the dinner was over, several newspaper reporters, who had heard about it, called at the restaurant and were invited to join us. Later they asked me why I had given the boys this treat. I told them what I have said above, that these boys had been very friendly and that I had felt it would be a great pleasure to me to

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have them as my guests. They wanted to know also how the Australian newsboy differed from the American newsboy. I said that I thought the American newsboy was more alert, perhaps because he has to sell more papers than his Australian brother if he is to make any money, for American newspapers are cheaper than those of Australia. The reporters made a good story out of this incident, which became known throughout the country. The press made favorable comment, and wherever I went the newsboys claimed me as their friend. The affair gave me some very helpful publicity which I had not expected.

A newsboy, in my opinion, deserves the respect of his customer. Many of them have to go on to the streets at a tender age to help their families. In some places they cultivate melodious voices which carry far. Sometimes I have passed by several of them on a street to patronize the one with a pleasant voice. From their contact with their fellow-men, newsboys develop keen insight into character and often know a great deal more than one might suppose.

## CHAPTER XI

### WARS AND RUMORS OF WARS

**I**N THE COURSE of my travels I encountered many wars and uprisings. I was in the Hawaiian Islands during the revolution there. I was in China and Japan at the time of the Spanish-American War. The Boxer Rebellion of 1900 found me in China, where I also spent the exciting days of the revolution of 1911 and 1912. I happened to be in Manchuria during the Russo-Japanese War. And just before the Great War of 1914 to 1918 I was sent to Russia and from thence to Germany, where I happened to be when war was declared by England in August, 1914.

When the Spanish-American War broke out I was in Japan. On July 4, 1898, we there received the news of the battle of Santiago. I had met Commodore Dewey several months before and had seen him sail for Hong Kong *en route* for Manila. Americans in the East at that time were more or less depressed over the probable results of the battle which we felt sure

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would take place at Manila. It was thought that our war vessels were not modern enough to compete with Spain's. When word came to Hong Kong that the entire Spanish fleet had been sunk by Commodore Dewey, I cabled the company as follows: "Entire Spanish fleet sunk." They wrote me later that they had received my cable in New York about one hour before the newspapers got on the streets announcing Dewey's victory.

The American Army of Occupation sent out to Manila took with them tobacco and cigarettes from the United States. Our soldiers and sailors smoked nothing but Bull Durham at that time. Just after they left for Manila, I received a cablegram from New York saying that there was some damaged Bull Durham in the hands of the commissionaire of the United States Army. I was ordered to proceed immediately to Manila to collect this damaged stuff and leave in its place thoroughly sound tobacco.

On my arrival I called on the officers, including the chief commissionaire, to whom I explained my mission. He wanted me to abandon

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the idea. He argued that the American government had bought and paid for this Bull Durham tobacco, thus ending our responsibility, regardless of any deterioration or damage to the tobacco in question. He was sure that tobacco would not keep for any length of time in that climate anyway. He was not inclined to give me any assistance in carrying out the orders I had received from the company. I finally told him plainly as I could that he must take into account that I had been paid to come to Manila to replace the damaged merchandise with good tobacco and that unless I did so I might lose my position. I also suggested that his assistance would be appreciated not only by me and the American Tobacco Company but by the soldiers.

Finally he gave me a pass, good by day and after curfew. At that time no one was allowed on the streets after eight o'clock in the evening without a written permit. I was also provided with a spring wagon, four mules and a driver, and an orderly with the rank of lieutenant. Thus accompanied I visited the army camps and transacted my business. At each camp the

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party was received with much acclaim. The stores of tobacco were thoroughly inspected. When damaged stuff was found, it was sent back to Manila and replaced by fresh tobacco. My work was greatly appreciated by the soldiers and sailors.

About thirty-two thousand pounds of moldy Bull Durham were found in the hands of the American Army, all of which was exchanged for fresh. This replacement cost us about twenty thousand dollars, but the loss was not considered for a moment in comparison with the good will of our customers in the United States Army. I mention this in passing to show the vision behind our company's policies.

In the battle near Mololos, I was standing near General Funston when he was shot through the hand. He was standing on the bank of a ditch watching the battle through his field glasses, when a bullet came whizzing in our direction. It went through his right hand, knocking his glasses to the ground. The army surgeon gave him first aid treatment. Then he picked up the glasses and went on with his duties.

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I was stopping in General Funston's headquarters when General Luna was captured. Funston was a very humane officer and gave General Luna all the honors of his rank, returning to him his sword and leaving him his side arms. At dinner that night, which consisted chiefly of army rations, the war was the principal subject of conversation. General Luna asked his captor if he might be allowed the next morning to visit a brother who lived about five miles from General Funston's quarters. General Funston consented, and early the next morning provided a mount for General Luna, with a guard of honor to attend him on his visit. The guard was declined by General Luna, who said that nobody would harm him, since he was in his own country. When he had gone three miles on his journey, however, he was shot by some of his own people, much to the regret of General Funston and others who had met General Luna.

After a period of convalescence in this country, during which I attended the inauguration of President Roosevelt, I was making the neces-



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sary preparation for a return to China. Mr. James B. Duke sent for me to come talk to him before I left New York. I found him with an infected foot attended by Dr. Gill Wylie. Some months afterward when I heard that the Dukes were developing large interests in water power in North and South Carolina, I remembered that Mr. Duke and Dr. Wylie had been talking about its possibilities that day.

Mr. Duke had been reading about the Russo-Japanese War in Manchuria and wanted to know if I had any misgivings about a trip across the Pacific while a war was in progress. I replied that I too had been following the accounts of the war, but had never even thought of deferring my departure to China. There were to be six men in my party, two of whom were to join me in Chicago. After some consideration Mr. Duke suggested that we divide the party into two, three men going on one ship and three others following later. He said that good men were scarce and that he did not like to risk so many of us on one ship. However, the six of us sailed as arranged, but six others

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came on another vessel. Mr. Duke instructed me to be very careful and not to take any unnecessary chances.

In San Francisco I seriously reminded the young men who were traveling with me of the dangers of our trip and told them quite clearly that if they could not afford to take the risk, it would not in any way affect their positions with the company. I told them to use their own judgments about going. They all sailed with me.

We were traveling in an American ship. At Honolulu we were delayed twenty-four hours. Soon after we left there the captain of the ship informed me privately that he had orders to go to the Midway Islands, so called because they are about two thousand miles from Honolulu and twenty-five hundred miles from the Japanese coast. Here the captain took me and two or three others ashore with him. The Commercial Pacific Cable has a station on Midway Islands where he had instructions to call for orders, which had already arrived. We stayed

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at the cable station for four or five hours and sailed late in the evening for Yokohama.

Soon after we got out to sea all port holes were ordered closed and all lights on deck extinguished. Even the lights at the masthead were not kept burning. This disturbed the passengers a great deal. Some of them insisted that we were certain to meet the Russian fleet somewhere in the Pacific. However, we reached Yokohama without mishap and discharged a portion of our cargo. From there we went to Kobe, where we discharged most of what remained of our cargo before proceeding through the inland sea to Shanghai. The morning after we left Kobe found us in Tsushima Straits, where a Japanese naval launch flying a black flag came alongside our ship. The officer in charge of the launch spoke to our commanding officer through a speaking trumpet, warning us that the Russian fleet was in the Straits. We invited the Japanese officer aboard our ship, but he declined to come. When he told our captain that he had nothing else to communicate, our

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ship sounded the regulation three blasts of the whistle and steamed away.

That afternoon we noticed flashes on the horizon, and some of the passengers were very much alarmed. I suggested that they might be lightning. But as a matter of fact, they were caused by shells from the Japanese and Russian warships in the Straits, for as we later learned, the Japanese navy had that day destroyed the Russian fleet. Some of the Russian ships escaped to Manila, where they were interned during the remainder of the war.

At nightfall fog settled down so thick that you could almost cut it with a knife. Our ship had to reduce her speed to not more than a mile an hour. Normally we should have made sixteen miles an hour. So we arrived in Shanghai on June 2, 1905, two days late. The Shanghai newspaper reporters were quite disappointed when they learned that the cause of our lateness was nothing more exciting than a heavy fog. Their notices of our arrival were very brief. They were disappointed, I think, because a heavy fog had cheated them out of a head-line

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story of an American ship coming through the war zone.

Acting on Mr. Duke's instructions, the first thing I did in Shanghai was to send him a cable. He replied congratulating us on our safe voyage across the Pacific. Not only had our voyage been safe, as it developed, but it had been intensely interesting, because we knew at the time that two great world powers were in combat on the Pacific. None of our party got into what the sailors call "heavy weather." Although we were headed for a war zone, we knew that our ship was flying the American flag, and that made us feel quite safe. The sympathy of the passengers on board was for Japan. But at that time Russia was regarded as one of the most powerful nations of the world, so many of them thought it rather impossible for Japan to win.

From Shanghai our party went immediately to Manchuria, where we met several United States army officers who were attached to the Japanese army as observers. One of them amused me very much one hot evening by look-

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ing up into the trees and exclaiming: "Oh, look at that fugitive breeze flying through those branches!" It certainly was a fugitive breeze, for none of us could feel it. But his remark caused a ripple of laughter through the party, which contrasted strangely with the sound of the Japanese guns around Newchwang to which we had been listening.

The Japanese army maintained a strict censorship on all letters and telegrams received or sent. We knew that the censor in Newchwang was holding up some of our messages addressed to Shanghai despite the fact that they contained no political matters, but only business affairs of the company. The Japanese censor was as unapproachable as the general at the head of the army. We tried to get an interview with him to explain that our telegrams were confined to business affairs and that we should feel greatly obliged if he would dispatch them quickly after he had censored them. But all of our efforts were unsuccessful. Finally one of our young men who used a typewriter decided to tempt fortune. He wrote a letter to our Shanghai

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office in which he called the Japanese censor everything short of libelous that he could think of. This letter was written, criticised, rewritten. Finally it was signed and put into the post.

The Japanese censor must have read it almost as soon as it was mailed. That evening about six o'clock we were sitting in the little club in Newchwang with the young man who wrote the letter, when who should walk into the club but the censor himself. He looked at us and walked past, only to turn back and sit down with us at the table. He had a beautiful sense of humor. This is what he said: "Gentlemen, I have just read the letter you wrote to your office in Shanghai about me, and I agree with everything in it." He explained that this was his first experience in censoring letters and telegrams, and that he thought our letter came nearer to the mark than any he had received. He said he appreciated our saying what we thought about him in a letter, rather than calling him names behind his back. From then on the censor was our friend, and our mail was not held up.

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After the war this man took up newspaper work, and we kept up our acquaintance. Almost every time we met he mentioned the incident of the letter censuring the censor. On one occasion he mentioned elevating to the Japanese peerage the young man who wrote this letter. Of course he had no authority to do so, but he insisted that he would use the great influence he had with the Japanese government to bring it about. But it was never done, and we always doubted a little the enormity of his influence with the government.

In the latter part of May, 1914, I went from Shanghai to Tsingtao in Shantung Province, a port then occupied by Germany. In this beautiful city in the heart of China, I could have believed myself in a German town. After a few days there I went on to Tientsin. On June eighth I boarded a Trans-Siberian Railway train for Moscow. It was a ten days' journey. In the vicinity of various stations along the way the Russian soldiers were maneuvering. When I made inquiries, I was told that these were the summer maneuvers of the Russian



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army in Siberia. In Moscow there was some war talk, but I took very little stock in it. Then came June twenty-eighth and the murder of Archduke Francis Ferdinand, which seemed to throw the whole of Europe into a turmoil. In St. Petersburg there was more war talk, but I proceeded *via* Warsaw to Berlin, which I reached on July twelfth. I had decided to go to Kissingen for a rest. At the sanatorium where I stayed there were a good many other Americans. We received daily newspapers from London and Paris, which we read with more than usual interest.

There were rumors of war in Germany too, and a few days after my arrival in Kissingen the British government issued a white paper on war conditions. My passport and German papers were in perfect order, so I felt safe enough, but on July thirty-first Germany closed up completely. We received no mail or newspapers after that date. Four days later England declared war, and the mobilization of the German army commenced. I have never seen a display of such perfect organization in all my life as

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followed. I saw in detail the maneuvers of that part of Germany where I was staying. Not only were the men of the country mobilized, but also the horses and other valuable animals. The German government knew all the resources of the nation.

One heard much about Russia's responsibility for the war, but I did not allow myself to be drawn into any arguments as to who started the conflict. However, I knew that Russia had a very large army, a very large gold war chest, but munitions enough to carry her through only a year of fighting. I also knew that she had enormous undeveloped iron and coal mines. On the other hand, she had very few steel or munition plants. So I concluded that even if Russia felt herself strong enough to go to war, she would within a year be dependent upon Europe and America for munitions. This would inevitably precipitate a revolution.

When I was in Kissingen there were about fifteen thousand people on summer vacations. Many had come for the mineral waters. A large percentage of these were Russians.

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Feeling between the Germans and the Russians in Kissingen at that time grew so bitter that the Russians had to be protected by German officials. A great many Americans at Kissingen were without passports and could not leave Germany until they obtained them. We got in touch with the United States consul at Eufort, who very kindly sent a representative to Kissingen to help these stranded Americans.

I did not hurry out of Germany. While my letters of credit were from an English bank, and no German bank would advance money on them after England declared war, I readily cashed my own checks on New York, which gave me sufficient money for my needs. I remained in Kissingen until August sixteenth, on which day the entire German army was mobilized.

While in Kissingen I had made the acquaintance of Mr. and Mrs. Leo F. Wormser, of Chicago. After some deliberation we decided to engage a motor car with a German chauffeur to take us to Berlin, three hundred miles away. We arranged with the German General in Kis-

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singen for our leaving.' We preferred motor-  
ing to taking our chances on the trains, which  
were all crowded with soldiers. We started off  
about seven o'clock in the morning of August  
16, 1914, with a lunch basket and some good  
advice from the head of the sanitorium, who  
cautioned us to stop immediately if anyone  
hailed us. He said that the farmers along the  
road were armed with shot guns and might  
shoot at our tires if we did not stop. There  
was danger in such an event of stray shot hit-  
ting us. Mr. and Mrs. Wormser and I occupied  
the tonneau of the car, and a young friend ac-  
companying us sat up front with the chauffeur.

We reached Oberhof about nine o'clock and  
decided to stop at a hotel for some breakfast.  
This took us only about thirty minutes. On  
leaving there we instructed the chauffeur to  
skirt the towns if possible, to observe the rules  
of the road quite carefully, and to drive as fast  
as he safely could. In some places we drove at  
least fifty miles an hour. At one o'clock we  
stopped at another hotel for lunch, after which  
we resumed our journey with the intention of

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stopping at Halle for the night. When we saw Halle in the distance, we asked the chauffeur what time he could get us to Berlin if we continued the journey. He seemed to think that he could make it by seven o'clock that evening, so we told him to proceed.

In passing through Potsdam, a few miles outside of Berlin, the left front tire blew out, although we were then going only ten miles an hour. While a new tire was being put on a large crowd gathered around us. A German officer soon pushed his way through the crowd. When he saw the German and American flags on our radiator, he remarked that he was glad to see an "American Break-Down" in Berlin. We took this as a compliment and thanked him for it. We reached Berlin safely a few minutes after seven o'clock. The manager of the hotel where we stopped informed us that inquiry was being made about us in Halle. We explained why we had changed our plans and requested him to tell the officials at Halle where we were and to thank them for their kind interest.

The next morning we called upon the police

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and showed them our papers. This was accomplished without any trouble. Then we went to the American Embassy, where we found a line of Americans five abreast almost a mile long waiting to get their papers visaed. It looked to me as if it would take at least a week for us to get into the embassy if we went to the far end of the line and came up in order. There were three young men guarding the entrances to the embassy. At a given signal from inside, they admitted ten Americans at a time. These seemed to go out the back door through the carriage drive into the street beyond, when they had transacted their business. I finally inquired of the young man standing in the door at the right hand side if Mr. Thomas were in the embassy. He called my name inside three or four times. While he was doing this, I approached the man standing in the center doorway and told him that I was Mr. Thomas. He let me in immediately, enabling me to get my papers stamped without delay.

While I was in Berlin I saw a great many things which set me to thinking. One of these

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was the rigorous German censorship of all letters, telegrams, and other messages. I had left my trunk in Kissingen and had with me only a small suitcase containing one change of clothes. I was glad when our party decided to proceed to the Dutch border. As I was preparing to leave the hotel, a well dressed man came up to me, called me by name, said that he was an American, and that he had an unsealed letter which he wished I would post for him in Holland. I declined to assist him, although ordinarily I should have liked to be helpful. A few minutes later, another gentleman made a similar request, which I also refused to grant. Following this, a comely young woman approached me with the story of a sister living in Chicago and one in New York, to each of whom she had written a letter in the hope that I would mail them for her. She offered them to me unsealed, asking me to post them in London, where she knew I was going. I told her that I would gladly comply with her request if I had any assurance that she and the two gentlemen who had made similar requests were not German

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secret-service agents. When I said that I was certain she could not want to involve me in any trouble with the German military officials and I knew the American ambassador and his assistants would do whatever they could to send the letters for her, she smiled knowingly and wished me a very pleasant good morning.

When our party came to the Dutch border we encountered a sign across a bridge ordering us to halt. We obeyed with our passports in our hands. After giving our names, we were permitted to go on. All along the road we found evidence that local officials had been notified of the journey we were making.

At the offices of the steamship companies in Amsterdam Mr. Wormser was informed that a friend had reserved passage for him and Mrs. Wormser from Amsterdam to New York just after the war broke out. The man had not notified Mr. Wormser of this reservation, although he had made a deposit of one hundred dollars on the tickets. For the moment, Mr. Wormser could not remember who the man was. However, he bought the tickets and turned them over



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to some friends. Finally, he recalled an incident which accounted for the booking of the tickets. Just as he came out of a New York theater one night, a taxicab drove up, the occupant of which was having a heated conversation with the driver. Mr. Wormser, who was eager to get the cab, stepped up to see what was the trouble. He found that the occupant didn't have enough money to pay the fare. Although Mr. Wormser had never seen the man before, he offered to lend him ten dollars. The taxicab fare was paid, and Mr. Wormser took the much coveted taxi. The ten dollars had been promptly returned. Now it happened that the man Mr. Wormser had befriended on that occasion was in Germany when the war broke out and, seeing in the newspapers that Mr. and Mrs. Wormser were also there, he assumed that they would want to go home and so booked passage for them.

From Amsterdam I went to London. After a few days there I took second-class passage for New York on a British ship. During the voyage we were on the lookout for submarines

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and German warships, but we made the nine days' trip without mishap of any kind. Some months later, after a visit to China, I crossed the Atlantic in the opposite direction, going from New York to London. Then there was much more danger from submarines than there had been on the previous voyage. But I always realized that I was not taking any more of a chance than was taken by thousands of American soldiers and sailors who crossed the Atlantic at that time.

On this second voyage we were required to wear life belts all the time, and our ship carried no lights at night. I amused myself considerably on these crossings by noting the longitude and the latitude readings of that part of the Atlantic Ocean through which the Gulf Stream runs. I decided that this would be an excellent place, if any, for the German submarines to meet the American fleet. I knew that the temperature of the water in the Gulf Stream was often seventy degrees Fahrenheit, and I felt that if a submarine approached the American fleet in these waters, it would be extremely

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difficult for the German submarine officers to remain long submerged without killing themselves. Musings of this kind relieved the monotony of the voyage. And often the passengers entertained each other by relating the experiences of their ocean travels.

Once, long before the war, when I had crossed the Atlantic on a German ship, a very charming German gentleman had shared a cabin with me. I did not see him again after we landed in Liverpool. Just after the war broke out, he saw my name in the newspapers, which mentioned that I had returned to London. He sent me a telegram there from Amsterdam stating that he had a young daughter in school in England, that he and his wife were very anxious for her to return home immediately, and that, although he did not know me very well, he wished I would do whatever I could to get his child back to him.

After locating the school and calling upon the young lady to acquaint her with the contents of the telegram from her father, I took the matter up with the London police. They assured me

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that, although Germany and England were at war, my friend's child would be just as safe in England as she would be in her mother's arms, but that they would be very glad indeed to arrange for her return to Germany. They did everything they could to make her journey pleasant.

When I told the head mistress of the school that I proposed to send her pupil back to Germany, she insisted on my paying tuition for the unfinished term. I paid it and at the same time engaged a chaperone and a gentleman escort to accompany the young lady to the German border. I stated that I would pay the expenses of the trip in addition to giving the girl's companion one hundred dollars and the man fifty. I gave the young woman herself some extra money and started them off. The next day I received a telegram from her father in Holland saying that she had arrived safely and that everything was all right. A few weeks later he sent me a draft on a New York bank for the money I had expended on his account together

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with a letter of thanks. I have not seen any of that family since.

One afternoon in Kissingen I went to the post-office to see if there was any mail for me. As I turned to leave I was approached by a gentleman and his wife who were accompanied by two young girls and two boys. They had noticed the small American flag in the lapel of my coat. They said they were Russians and that they had never wanted so badly to be Americans as they did at that time. They had come to Germany seeking health; the war caught them without sufficient funds to get home. They doubted very seriously whether the German government would allow them to go home. The father's idea was to try to get out of Germany through Italy or Denmark. I asked him how many he had in his party, and he indicated his wife and the four children. At that time it was almost dangerous to be seen talking to a Russian, but I did want to help him. I told him that my resources were extremely limited, but that I could give him five hundred marks if that would be of any service to him. He ac-

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cepted the money and my card, and I wished him Godspeed on his journey. Things were happening so fast that the gift of five hundred marks to a man whom I had never seen in my life soon passed completely out of my mind. The following year, however, I received a note of thanks from the man containing the equivalent of five hundred marks.

I relate these instances to show, or at least to give some idea of the disposition on the part of the people I met in Germany to assist each other in the stress of war. I was treated with the utmost courtesy by the Germans during my stay there after the war broke out. From what I saw in Germany, however, I felt that though America was not then involved, she would go into it sooner or later, and I governed myself accordingly.

I did not keep accurate account of the number of miles I traveled during my long residence away from the United States, though a very conservative estimate would be 1,500,000 miles. But it was always a great pleasure to get home and see my friends. One of the most loyal

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friends of our men in the East was Mr. George Garland Allen, a North Carolinian, whose work for the company took him to New York. Mr. Allen helped us very much. He was always optimistic, met us at the wharf when we returned, welcomed us home, took us to his house, and fed us dishes that we had enjoyed when we were boys in North Carolina. No matter where in the world we were, he never forgot us. He sent us newspapers and magazines, which we read from cover to cover. It was he who always sent us a cablegram at Christmas and looked after our personal affairs at home. There was no request or commission given him that he did not faithfully carry out, even to buying collars, socks, or neckties, though some of the ties and socks he sent were flashy and colorful enough to distinguish the wearer in the office of even an Oriental merchant.

Mr. Allen's interest in us and our work spurred us on to greater accomplishments. If a mistake was made, he saw the bright side of the matter. This encouraged us and helped us not to make the same mistake again. He kept

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in close personal touch with everything that was going on. When we came home, we could discuss business with him concerning any part of the world which we had visited without his having to refer to our reports from these countries. Like James B. and B. N. Duke, he is a great merchant. By his own efforts and merits, he rose from the ranks to the most prominent position in the company.



## CHAPTER XII

### CONDITIONS AND PROBLEMS IN THE ORIENT

**C**HINA HAS an area of about four million square miles and about one fourth of the population of the world. Due to a lack of transportation facilities these masses of people are concentrated in about one fourth of the territory of the country. Though China is much larger than the United States, she has only seven thousand miles of railroad, as against our two hundred and sixty-five thousand miles. If more railroads were built in China this vast population could be decentralized, and yet the people would be in closer communication than they now are. Additional railroads would also help to prevent famines. Produce grown in the interior of the country could be brought to the more densely populated areas where the famines occur.

The postal and telegraph systems have developed much faster than railway communication. China has about twelve thousand post-offices and ninety thousand miles of telegraph

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wires. Telephone subscribers have increased in number to about one hundred and twenty thousand. I have mentioned elsewhere the introduction of motor vehicles into China. The Good Road Society is developing the highways, which always cause increased motor transportation.

China's consumption of steel products is very small in comparison with that of the United States. Her great quantities of coal and iron, still largely undeveloped, will some day increase her wealth enormously. China has large deposits of both anthracite and bituminous coal, but the latter is more widely used. The coal output averages about thirty million tons a year in contrast with America's six hundred million tons. Her tin and antimony resources are large. Both are being developed to a considerable extent.

In order to feed her teeming millions, China will always have to be principally an agricultural country. But this need not interfere with the development of her manufacturing and commercial interests. China's chief exports are tea and silk, for which America is one of the

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best customers. The Spanish-American War, the Boxer Uprising, the Russo-Japanese War, the Chinese Revolution of 1911, and the World War, each gave new impetus to trade between China and the United States.

A great obstacle to China's commercial interests is the state of her currency, which is based on silver and copper. The government has made several attempts to introduce a decimal system of monetary values, which should be uniform throughout the country, but very little progress has thus far been made. The Chinese in general have not yet realized the tremendous advantage that such a system would afford. As matters stand to-day, money fluctuates in value from province to province and from town to town within a province, thus hindering the free exchange of commodities to the great detriment of all concerned.

It will be a stupendous task to standardize the currency for the whole of China. The country has competent financiers and bankers, however, who ought to make a start. As an experiment, they could work out a plan for a particular

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province and put it into effect. When its practicability had been demonstrated, the system could be extended to adjoining provinces, until the whole country had been brought into line.

As an aid in familiarizing the country at large with the standard currency before it is adopted everywhere, the government might require its postage stamps to be paid for in the proposed standard. The next step would be to require the customs tariff to be paid in the new currency.

With her cheap labor, China can manufacture a silk brocade for less than any other country. Moreover, her silk brocades are better than those made in the United States or anywhere else in the world. She should exchange her brocades for commodities which other countries manufacture to better advantage. The United States, for instance, makes motor cars, typewriters, and hundreds of other mechanical devices and appliances which she would like to sell to China. Such an exchange would be mutually beneficial, and China would be able to

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give work to her people to the same extent that the United States does.

The province of Chekiang, which produces a considerable quantity of tea and silk, also raises some cotton, most of which is manufactured into wearing apparel for local consumption. This industry formerly gave employment to ten thousand tailors. In 1911, just after the Revolution, the natives of Chekiang Province decided that they must wear foreign clothes. As a result, these tailors were thrown out of work, and many mills closed down. Several of the provincial officials spoke to me about this situation. I advised them to circulate propaganda showing the foolishness of wearing foreign clothes and the wisdom of wearing products made in their own locality. When this was explained to the people, they went back to wearing the domestic articles. In general, however, China is manufacturing more and more cotton. She has been buying raw material from the United States, although she produces considerable cotton herself. One reason why the Chinese people wear cotton clothes is because of the low

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cost of laundering. Rates for laundry work vary from two to four cents a piece. It is no more expensive to have a coat or pair of trousers laundered than it is a sock or a handkerchief.

When I was in Singapore I wore suits made of cotton drill which cost me, made to order, three dollars a suit. The climate necessitated a clean suit every day. But with my laundry costing only four dollars a hundred pieces, I could easily afford this. When I came back to the United States on a trip, I took these suits South with me, where it cost me a dollar to have one of them laundered. So laundry expense prohibited me from wearing cotton in the South, where it is grown and manufactured. I seriously believe that people would wear more cotton goods in this country if laundry work could be reduced in price.

Cotton manufacturers usually work along old lines in marketing their product. The cloth is made into pieces, which are usually sold in lengths averaging forty yards. On the outside of a piece, a brand name is stencilled and a label

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affixed, showing the number of yards in the piece. This cloth is sold to a dealer, who in turn retails it to the consumer. The ultimate consumer then does not buy a proprietary article. Often he does not know the name of the brand of goods he has bought. The result is that the manufacturers do not derive a profit indicative of the good will of the consumer. I should like to see them try manufacturing this same length of cloth into pieces, long enough, let us say, to make a suit of clothes, which is about five yards. The pieces should be labelled with a brand name and a price worked out that would provide for the cost, profit to the wholesaler, retailer, and manufacturer, and all expenses of distribution. The manufacturer would then reap profits commensurate with those of the manufacturers of spools of thread, towels, sheets, pillow cases, and other articles which sell for a small price. His brand would become known. If he gave good value, people would demand his product.

As things now are, cotton by the yard fluctuates in price with the raw material. When it goes up, people wear their old clothes. If

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lengths of cotton cloth were made proprietary articles, as I have suggested, they could be advertised with success. A clever campaign could lift the brand out of competition with similar goods. Almost anyone can manufacture a piece of cotton cloth, but the real problem is to make a particular brand fashionable and persuade the public to ask for it by name.

It may be argued that this sort of merchandising is hardly worth the effort. Despite disabilities of climate, language, and danger of disease, I marketed cigarettes on this principle. If I had it to do over again, I would do it the same way, because I know it paid. Anyone who undertakes this sort of merchandising, however, needs cheerful diversion. I always kept a book of humorous stories to read when I was tired out. They refreshed me and helped me to start out the next day ready to talk business again.

It seems to me that China did not know or care very much about the outside world previous to the Chinese-Japanese War of 1894. She had convinced herself that she was one of the



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most powerful nations on earth, so the war took her by surprise. A Chinese transport going from Korea to Chefoo with three thousand officers and men aboard was met by a Japanese warship, which ordered them to stop. After firing a shot across the bow of the transport, some of the Japanese officers went onto the Chinese vessel. The officers in command of the Chinese vessel made it plain to the Japanese that it would never do for a small country like Japan to give orders to a great power like China. The Japanese officers retired, and the Chinese transport proceeded. When she disregarded the second warning from the Japanese gunboat, the Japanese used their torpedoes and destroyed her. The Chinese had not until then realized that their neighbor, Japan, had become a naval power.

In 1915 several of my Japanese friends told me that they expected to see Germany win the World War. The feeling must have been general in Japan, for at that time the Japanese confiscated the port of Tsing Tao and the German railroad in Shantung Province and made

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twenty-one demands upon China for the protection of Japanese interests in Shantung Province and Manchuria. Japan draws a considerable amount of her food stuffs from this region and no doubt felt justified in protecting the source of these supplies. Much has been written about these famous twenty-one demands. The way in which they were made incensed the Chinese very much. They still feel their resentment keenly. Public opinion in China has been against complying with the demands, although Japan has returned to China the railroad and the province of Shantung.

It would be a most difficult task to enforce all of the treaties in effect at the present moment between China and the powers. I doubt whether it could be done at all, as public opinion in China is so strongly against them. As they stand to-day, then, they are of little value. I believe, however, that China would like to live up to her treaty obligations, but that she is powerless to do so. In 1897 Japan made treaties with the Great Powers by which she received tariff autonomy and abolished extra-territoriality. She

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took over the foreign settlements and municipalities in Japan which had formerly been under the control of aliens. The Chinese would like to do the same.

One of the international features of Shanghai is the Mixed Court. This court is presided over by a Chinese judge, assisted by various foreign judges. On certain days court is held before the Chinese judge and a British magistrate, when cases between Britishers and Chinese are heard. On other days cases between Americans and Chinese are brought up, when an associate representing Americans sits with the presiding judge, and so on for the different nationalities. There was very little friction in this Mixed Court until the Chinese Revolution of 1911, when there was a year's division of authority between the former imperial government and the new republican régime. The Mixed Court got out of hand. The foreigners who carried on its work made some minor changes, which the Chinese did not like. The extent of these changes was magnified, and fresh feeling against extra-territoriality in China re-

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sulted. The powers refused to abolish extra-territoriality, because no new rules and regulations were set up by the Chinese for conducting the Mixed Court. The matter was debated and written about until it all seemed quite involved. One could not blame either the Chinese or the foreigners for the position each took. The discussion, however, has given rise to efforts on the part of the Chinese to codify their laws. They have made great progress in this respect and look forward to gaining their point. The Chinese Bar Association was formed, law schools were established, and the necessary preparations are being made for China's taking over all courts in her country.

There are twenty-one provinces in China. If it were necessary to establish a court in each of these provinces, China could not at the present moment provide twenty-one judges and the necessary court officials for organizing these courts and conducting them with dignity. The Chinese might begin by setting up courts in Shanghai, Tientsin, Harbin, Hankow, and Canton; courts that would command the respect not only

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of the Chinese, but of the foreigners as well. Both Chinese and foreign lawyers should be allowed to practice in these courts provided they are well qualified and in good standing. All cases involving both Chinese and foreigners could be tried by a Chinese judge, with appeal to the Supreme Court of China which sits in Peking. Such an arrangement ought to satisfy both parties and would give China time to get her other courts thoroughly organized and her law libraries built up.

Like other countries bordering on the Pacific, Japan is much concerned with what goes on in the East. I am glad to say that America and Japan have always managed to conduct their affairs in the Pacific on a friendly basis. America is the largest customer Japan has, and from the day that Japan was opened to foreign intercourse she has been on friendly terms with the United States. At times, one hears a great deal of talk about the United States and Japan coming to blows in the Pacific. I have never taken this seriously. In the first place, Japan does not have enough minerals to wage war

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against the United States. Modern war is impossible without a plentiful supply of coal and iron. In the second place, I believe that Japan is faithfully trying to keep peace in the Pacific. Of course she has had a war with China and one with Russia, but I have thought that these wars were largely defensive on Japan's part. Naturally she will take steps to protect herself against aggression in the Pacific.

At the time that Russia extended her influence into Korea, which is the back door of Japan, Russia was a very powerful nation. China, hoping to get political support from Russia, lined up with Russia, so Japan went to war with China. In the peace treaty the island of Formosa was ceded to Japan. Japan felt that Russia had prevented her from getting a better settlement, which ultimately caused war between Russia and Japan in 1904. Japan was not satisfied with the outcome of this war either, which left a bad taste in her mouth.

As I see it, Russian policy in the Far East is still about what it was in 1897. However, Russia has changed considerably since that time.

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The present government will have to gain the confidence of the peoples of the world before it can function successfully. If Russia again undertakes to extend her influence into China, Japan will undoubtedly resent her doing so, and there may be trouble. In this event, I believe that public opinion in America will side with Japan, as it did during the Russo-Japanese War. It is also probable that British influence will support Japan in a clash with Russia.

Japan's loss of life and property in the earthquake of 1923 was a severe blow, but the rapidity of her recovery has been marvelous. Immediately after the catastrophe she set to work repairing the damage. The cities most affected have been rebuilt, and the financial situation of the country is back to normal. Japan has accomplished a great deal in the past fifty years. She has a stable government and has educated her people, making it possible to give the franchise to ten million people. Moreover, she has become a first class power in the family of nations.

As I have said before, I believe that Japan

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wants to live at peace with her neighbors in the Pacific. With a spirit of coöperation between the countries bordering the Pacific there is room for all of them. There is no reason why, so far as I can see, there should not be free exchange of commodities and general trade from which all of these countries would benefit. Japan has merchant ships plying between the Far East and America, which give good passenger and freight service. As time goes on it will be possible to cross from Japan to the American coast in ten or twelve days, thereby enabling Japan to render still more valuable service and assistance in the Pacific. I have made that voyage several times on Japanese steamers and have always been treated most courteously.

If Japan or any other power in the Pacific makes something we need, we should arrange to buy it at a reasonable price and sell our commodities to them or other foreign countries at reasonable prices likewise. There is an old saying: "Competition is the life of trade." This is true, but my idea of competition is to go out



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daily to do my utmost to get business, and then meet my competitor in the evening in a friendly manner and laugh over the competition. If my competitor won out in a certain deal, it was never my way to become angry with him. I put this construction on the matter; he must be a better trader than I was, consequently entitled to his reward.

Russia has a wonderful country in eastern Siberia. If it is to be developed in our time she will have to draw on Chinese labor. Riding through southern Siberia in the spring of the year is like riding through a gentleman's park. The country is full of wild flowers. Milk and honey can be bought at almost any station for a nominal price. The Danes taught the Russians dairying. Siberia now exports many millions of pounds of butter every year to Europe. The climate of Siberia makes it a difficult country in which to live. Things grow only during about four or four and a half months, during which time Chinese laborers emigrate into Siberia. But they return to China for the winter. The district around the mouth of the Amur

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River needs to be developed on the Russian side. China, having available labor, has already developed her side.

Great changes are taking place in Manchuria, Mongolia, and Kerin Provinces, usually referred to as the three eastern provinces of China. At present the population of these provinces is about twenty-two million. It is estimated that the Chinese population here will increase in the next twenty years to about seventy million people, which is about the population of Japan to-day. Immigration from the more thickly populated places in China is headed in the direction of the sparsely populated three eastern provinces. In China it is not: "Go West, young man!" but rather: "Young man, go to the eastern provinces." The increased cultivation of land here is going to assure a more plentiful food supply for China. Moreover, these Chinese pioneers are likely to play a big part in China's future. Their labor in the new home will bring them satisfactory returns, and they will develop the country and establish a government untrammled by old

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customs and one which really represents their needs.

There has been objection on the part of Russia and Japan to China building a railroad through the three eastern provinces paralleling the Chinese Eastern Railroad and the South Manchuria Railroad, which are chiefly controlled by the former countries. There is no doubt but that the vast territory included in these provinces could support an additional railroad, and as the country is cultivated more and more it should be a very profitable venture. But, as the population of these districts is ninety-five per cent. Chinese, they should be assured that the operation of such a railroad would not in any way affect the integrity of China. Russia and Japan owe this to their neighbor, China. The Chinese love their country, as the Russians and Japanese love theirs. If the Chinese were to ask the Soviet government in Russia for a franchise to build a railroad through Russian territory, I do not believe it would be granted.

My experience is that the Chinese deal fairly,

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but the Chinese Eastern Railroad is a sore point with them. I cannot see that there is any evidence of assimilation between the Chinese in the three eastern provinces and the Russians or Japanese, and I believe that there never will be any. Russia and Japan cannot expect to colonize that part of China, because their people are not physically able to cultivate that country, which is extremely productive and could supply grain enough for the entire world. It seems to me that the Russian Government ought to come to an understanding with China and Japan and sell back to China the Russian interest in the road. When the Chinese Eastern Railroad was built, conditions were entirely different from what they are to-day. Now China should build her own railroads in the three eastern provinces, affording herself, Russia, and Japan equitable trading grounds.

The Nationalist Movement headed by young China is changing the entire country. I confidently look forward to the stabilizing of China's government. Despite the political chaos of the past three years, China's trade has increased.

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The civil wars cannot last much longer. Being a peaceful people, the Chinese are getting tired of war. The untold suffering inflicted upon the country by the war lords has reached a point where the people are turning toward new leadership. Young China will establish a government more acceptable to the majority of the Chinese and to the world at large. The war lords will have to use their energies in the arts of peace.

The people of the United States should continue to foster friendly relations with China, for I believe that country is going to make more progress in the next twenty-five years than Russia or Japan has made in the past twenty-five. I trust that this book may help in some way to impress upon those who read it, the great importance of the future peace of the Pacific. It behooves all nations to coöperate toward this end. We cannot look to the old diplomacy for guidance. A new order is required, an order based on a more practical diplomacy than has heretofore existed. All documents involved should be phrased in simple language so that

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the people of China can understand them. They should be printed in Chinese and distributed throughout the country.

In dealing with the reconstruction of a nation, or any big questions in fact, I believe that better results are obtained if the chief participants tell what is being done. If someone else tells the story, it frequently gives rise to a misunderstanding. Facts are so distorted that the people imagine they are not being treated fairly. China to-day seems hopelessly divided, but I believe the Chinese would rise to a man should any outsider threaten the integrity of their country.

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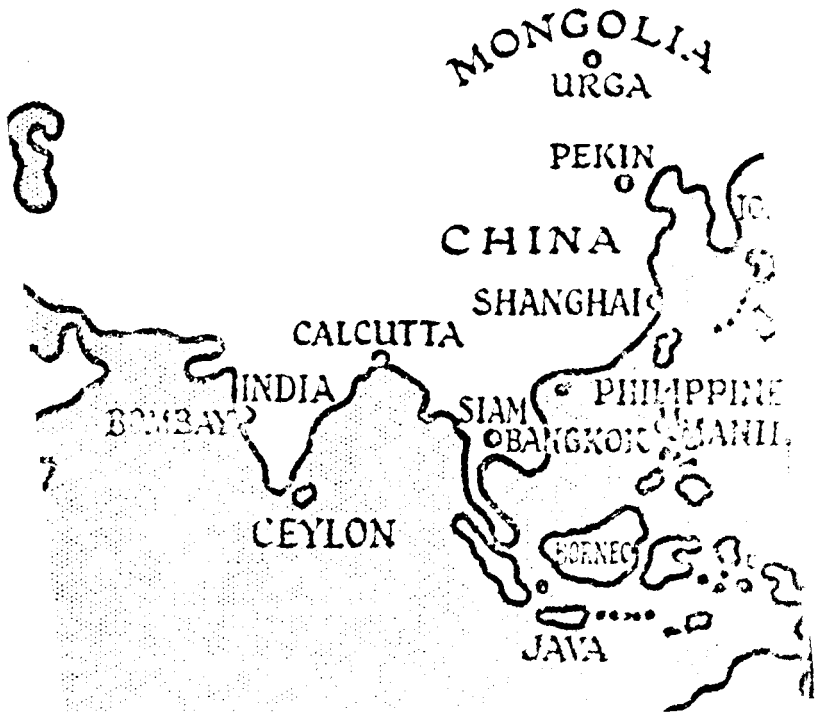
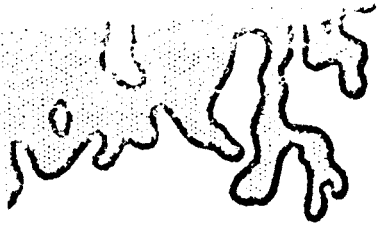
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