

HONOLULU, Hawaii,
July 20th, 1927.

To get a line on the situation one must keep in mind that there is no government in China and that the representatives of that country attending the convention are Nationalists representing what is known as the Canton party. They are not communists, being equally against the Moscow Reds and against the British. China for the Chinese is their motto with no foreign concessions, privileges, etc., etc.

To-day with great solemnity we devoted our energies to forming a Municipal Government for Shanghai. Sir F. Whyte the head of the British delegation is a singularly able and well informed gentleman who acts with great restraint. This was apparent to-day when the Chinese opened the ball with a recital of British outrages in Shanghai giving day and date unarmed and innocent Chinese were killed and wounded while in pursuit of their peaceful and ordinary avocations. Whyte merely said there was no use arguing or citing cases of Chinese aggressions or the justification for the alleged attacks, and merely asked what the Chinese planned (in case stable Government was restored) as regards the Gov. of Shanghai. Briefly stripping their reply of unnecessary verbiage and camouflage, the foreign residents were to be taxed (half the taxes now are paid by the British) as usual but the Government was to be elected by popular and qualified voters followed by the information that 97½% of the population was Chinese and 2½% foreign. This was again followed by a further recitation of British folly and British outrage against the innocent and peaceful native population. To date we have not settled the question. It is peculiar that an unofficial body of this kind on which no resident of Shanghai's tax payers or business interests is represented should try and reach conclusions on the subject on which a lot of Cantonese who are not in power in China. At first we were merely an unofficial body. Yesterday we referred to ourselves as members from each country. Today we have taken another step and have emerged as representatives of the various powers. With each step we have become more serious with an added dignity that is impressive. The Canadians are keeping their heads and their own counsel. Sir Arthur who is Chairman of one of the sections as well as the Canadians, works from 5 A.M. and probably wishes he was back in the war.

I have met some more of the lady delegates and I am positive there will be no scandal attached to the proceedings. I am lost in admiration at the artistic lying of the Chinese delegation. Ananias at his best was never like one of these, and I am commencing to suspect that the Americans are believing them for a purpose. Great Britain's hold on Chinese commerce is well worth a little credulity,