
FINANCE AND TRADE

The National Industrial and Commercial Conference

THERE was convened in Nanking city last week, under the auspices of the Ministry of Industry, Commerce and Labour, an important conference the resolutions of which, it may be safely predicted, will, if duly carried into effect, pull China through many of her most touching industrial and commercial problems of the day. We refer, of course, to the National Industrial and Commercial Conference that met daily in the spacious auditorium of the Officers' Moral Endeavour Society in Nanking from November 1 to 8.

This conference was attended by some two hundred participants from all parts of the country, who, by virtue of their profession, expert knowledge, and business connections were considered the most fitted to deliberate on the vital industrial and commercial problems of the country, and who came either as appointed delegates from their respective governmental bodies or as invited participants by the Ministry of Industry and Commerce. As a conference wherein a governmental body is the inaugurating authority and which is attended by participants most of whom are freely invited from their respective professions, the present conference is not the first of its kind, it being preceded by the Financial and Economics Conferences of 1928, and by the Educational Conference in the early part of this year. All of these conferences were convened by reason of the earnest desire on the part of the respective governmental bodies concerned to seek the advice and help of expert knowledge from those "who know best" in the formulation of concrete measures and of governmental policies in their respective fields of administration.

The conference came at a most opportune time when after and as a result of the recent warfare all thoughts naturally turn to subjects of reconstruction. It was called to order on the morning of November 1 by Dr. H. H. Kung, Minister of Industry and Commerce, who, in his opening address, after dwelling at length on the work of the Ministry during the past two years, brought up the following points, enjoining all to give them the fullest attention:

1. Consolidation of the finances. To the present-day stagnation of the country's industry and commerce, Dr. Kung ascribed the principal reasons abortive interest rates, insecurity to investors, a confused

currency system, and extreme exchange fluctuations. The conference was called upon to devise means and measures to curb these evils and to place capital and finance on a solid foundation.

2. Development of basic industries. Dr. Kung attested to the close relationship between industries and the livelihood of the people. He remarked that the Ministry of Industry and Commerce has already led the way in the formulation of measures for the promotion of such basic industries like the sugar refining industry, and the woollen and textile industries. It now remains to deliberate on measures for the promotion and development of other similar basic industries.

3. Improving the organization of existing industrial and commercial bodies. Attention was called to the fact that in recent years there has already been much progress in the organization of industrial, commercial and labour bodies. There is need for the formulation of concrete measures to accelerate the growth of these bodies along proper lines, to foster co-operative scientific research work, and to find a scientific and satisfactory solution of the vexatious problems arising out of the constant conflict between capital and labour.

4. Fostering scientific methods of management. The scientific methods of management so ably propounded by Professor Taylor which have been abundantly justified wherever introduced by resultant increased efficiency, increased production and elimination of waste labour, find an enthusiastic supporter in the person of the Minister of Industry. The attention of the conference was called to the fact that earlier in the year a research society for the study of the scientific methods of management was organized. Means and measures must be devised to foster this scientific spirit in the management of Chinese industries and businesses the growth of which has thus far been greatly retarded by the Chinese merchants tenaciously holding to the antiquated methods of production, management and merchandising.

5. Promotion of special Chinese products. That China is bestowed with a fertile soil and a variety of products both from land and labour is beyond doubt; but the difficulty lies in the fact that either the quantities of such products are not sufficient to meet the enormous needs of

the population or else their quality is not of the desired standard to enable them to be widely distributed abroad. Therefore, there must be some methods devised to remedy this situation, such as helpful co-operation among the producers and large-scale production.

6. Development of foreign trade. It is painful to note that for twenty long years there has been an uninterrupted adverse balance of trade, and recently the situation is assuming an even more grave aspect as many of China's principal articles of export like silk, tea and wood oil are already suffering serious set-back in their competition with foreign products. At the same time there has been a growing dependency on foreign commodities for the daily necessities of life. Needless to say, some measures of relief must be found.

In conformity with these prescribed lines, a stream of proposals came in for deliberation in the conference. The number of these recommendations is amazing and bears conclusive evidence of the fact that industry and labour have long been waiting for an opportunity to express themselves such as the present conference has offered. In all it was estimated that some four to five hundred concrete measures were placed on the floor, and relating to industrial policies alone there were some 62 proposals, eliminating duplication, all of which are as note-worthy as they are interesting. Lengthy discussion of these projects must be left to some other occasion when there is opportunity to digest more carefully the contents of these projects and the deliberations thereof which it is hoped, will be put in print sometime, following the practices of the other conferences.

There are, however, a few outstanding recommendations which are worthy of note. For instance, at the fourth meeting of the conference an important project brought up by the Ministry of Industry, Commerce and Labour, aiming at a standard of co-operation between capital and labour, was passed by the delegates sitting, after much heated discussion in the earlier meetings. This measure clearly pointed out that a factory is a means of living for both the factory owner and the factory worker, that industrial turmoil will only lead to unnecessary sufferings to both parties as well as to society at large, and that the power of management is an inherent right that should belong to the factory owner. It stipulated that an agreement of co-operation should be reached between the two in which there must be definite understanding as to working hours, scale of wages and pay, methods of payment, rewards and penalties, and it called upon the factory owner to make provisions for various phases of welfare work. In