

CHANCES IN CHINA

Standard Oil Man Says Celestial Kingdom Needs Much American Funds.

Whenever a Director or officer of a Standard Oil Company says anything which the public prints may quote over his name Wall Street takes notice. The reason is that the policy long in vogue in the offices at 26 Broadway has been to work and not to talk. On rare occasions only do Standard Oil men feel that it will be worth while to discuss some subject in the industrial world which affects their business, and then the Street reads carefully what is written, for it is in nearly all cases of vital interest to financial circles.

The latest information to come direct from the Standard Oil fortress was of interest not only to Wall Street, but also to commercial and industrial interests the country over. The closing of a contract between the Chinese Government and the Standard Oil Company of New York, whereby the latter will have the right to search for petroleum deposits over a term of years and exploit them for the joint profit of China and the company was a matter of general interest to all Americans. Although few details were given out, the use of even the little that was made public, when coupled with a play of imagination, opened a great vista of industrial expansion in the Celestial Kingdom to be contemplated. It was clear that the Standard Oil Company was not striving to further its own ends alone. The step means that American enterprise had gained a foothold in China which, if followed up in other directions, would make the United States a power in the development of the vast resources of the Far East.

When he told of the partnership entered into between the Chinese nation and his company, Vice President W. E. Bemis laid particular emphasis on these possibilities:

"It is seldom that the Standard Oil Company of New York informs the public about what it intends to do in a business way," said he to reporters on Friday, "but the arrangement with the Chinese officials was considered so important by the Board of Directors that it was decided to tell the newspapers everything that could be told at this time. In the first place we do not want the erroneous idea to go abroad that the company will have a monopoly of Chinese oil deposits. After we have located the fields which we believe can best be developed, these portions will be allotted to us and afterward the Government will be in a position to negotiate with other nations or other private corporations in any way it pleases for the rights to oil deposits which we may not have discovered or have decided not to be what we want.

"Now, the Standard of New York expects to find the new undertaking very profitable. We are going in to China to make our work and investments bring a good return, but we are not sure that we can bring about results as good as we hope to. It is well known that deposits of petroleum exist. It is not known yet how large they are or whether they will prove to be as commercially profitable as we have dreamed about. It is with us a purely business proposition, but the outcome of our efforts will not be, we believe, merely big earnings for the company. We are looking forward to the entrance of American companies and American capital into the Chinese Republic close after us on a scale which will place the United States in the lead in the commerce of the Far East."

Mr. Bemis warmed up to his subject as he progressed, and quickly left the material side of the Standard's undertaking to discuss the value to the nation of pushing enterprises which he expects to follow in the wake of oil land development. The Standard Oil man spoke from a full knowledge of his subject. He has spent many months in China during the past ten years, and personally directed a part of the oil-selling campaign begun in 1903 which scattered the products of American refineries from the coast to the far interior. The Chinaman as he found him is scrupulously honest in his business relations to foreigners and eager to grasp new ideas from the outside.

"Just to show you what may be done in the way of selling goods to the Chinese and introducing new appliances," he continued, "take a look at those lamps on the table there."

He spoke of a row of small kerosene lamps, simple in design, and made for wear instead of decoration.

"After I had looked into the condition of Chinese workers in silk I came home and designed that lamp. The Chinese used to go to bed at 4 o'clock in the afternoon because it began to get too dark then for them to work in the silk, and they had to get up early in the morning to utilize sunlight as long as possible. They had kerosene in many places I visited in 1903, but the lamps they used were of practically no use. Old tin cans, with a spout leading into them and no wick, were the common mediums for burning kerosene, and you can imagine the light it gave.

"I took the model of this lamp to a manufacturer and told him what would be done with them. He didn't take to the idea at all; didn't believe they would sell. His opposition went so far that he refused to spend the money to make a die for making the lamp founts, and—would you believe it?—the Standard had to have the die made itself at a cost of \$832. The foundry concern made the lamps after we had handed the die over. The heads of that company are to-day wealthy men and made all their money from that lamp, at a cost of 8½ cents apiece, which we sell to the Chinese, sometimes away back in the interior 3,000 miles, at 7½ cents each.

"The introduction of that little lamp revolutionized the silk industry of China. The output now is three times what it was in the days the workers had to stop when the sun went down. And it increased the sale of Standard Oil kerosene so that it, too, has tripled in volume in the past ten years.

"I am using this illustration just to show you how ready the Chinese are to accept something that will better their living conditions and productiveness. What the Standard has done other companies can do. The land over there is rich in deposits of coal, copper, gold, and silver, all of which needs development. In my opinion, there is no region on the face of the globe to-day equal to China in commercial possibilities. The Chinese need money. They are going to get it. The State Department put a check on plans of our bankers to lend last year a large sum to develop the railroads, and I am sorry that this action was taken. If our bankers do not enter China soon, either with the backing of the Department of State, or without it, they will find themselves checkmated by English and German capitalists when they finally do realize the great opportunity over there."

In returning to the proposed operations of the Standard Oil Company of New York, Mr. Bemis said that there were probably 100,000,000 people in the Celestial Kingdom who have never seen or heard of kerosene. The Standard's task will be, he said, to see that they learn all about it.