

Team Work in the Flowery Republic

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China every year, smashes into one of the guilds and when this happens foreign trade usually emerges from the conflict with no honors and mighty glad to make peace. A New York firm with Far Eastern headquarters at Shanghai had built up a large business by the only successful method of studying the demands of the native trade and conforming to them, without regard to the violation of American ideas. After the Shanghai manager had spent several years in building up the business and apparently had it on a sound basis, he received a year's leave of absence, and one of the partners in New York came out to fill his place.

As soon as he got in touch with office detail and learned enough pidgin English to make himself understood, the partner began to dominate the business just as he had done in the New York office. The Chinese manager's authority became less every day, for the New Yorker insisted on dealing with his customers directly. One day a Chinese merchant came in with a claim for rebate, because of damaged goods. The claim was refused and as the new manager was in a hurry to catch a mail steamer and post an important letter, he was more abrupt than diplomatic. The following day a request from another customer for an extension of credit met with a similar refusal.

It was a week or more before he noticed that there was a sudden falling off in sales. He asked the Chinese office force about it, and received polite but misleading replies to the effect that it was because of the state of the local market. Continued absence of orders compelled him to look further for the cause, and he found that the guild to which his customers belonged had decided to boycott his firm. They had reached the conclusion that his refusal to comply with the requests made by two of their members presaged a new management, which would be unfavorable to them.

It is through their guilds that the Chinese have always enjoyed a rather democratic administration of a very autocratic government. Under the Manchu rule, the local magistrates, taotais, or prefects, possessed, in theory, almost unlimited powers. In practice, they had at all times to be very careful not to run afoul of the guild regulations, or to arouse public opinion to the point that all the guilds would combine against them. In the latter case, the guilds inaugurated a "cessation of trade," which is a combined strike, lockout and boycott. Workmen quit work and employees closed their doors. No one bought anything and the shop-keepers put up their shutters. The whole city took a holiday, or several of them, if the official was unusually stubborn.

The self-governing guilds naturally bred a democratic spirit and during the recent revolution many of them gave valuable aid to the Republican cause. The first contribution to the funds of the revolutionists was made by a merchant guild at Hankow, and similar contributions from many other guilds enabled the republicans to keep on fighting and finally win against the monarchy. The guilds were well able to do this, for some of them are fabulously rich, owning carved and lacquered guild houses and boasting of millions of taels in their treasuries. In many cases their funds have been accumulating for centuries, for most of them have on their membership rolls the names of men whose fathers and grandfathers were members before them in an unbroken line for a dozen generations, and a few audaciously date their records from about 2000 B. C. In a country as yet untroubled by statistics, it would be impossible to do more than guess at the aggre-

gate wealth of the guilds, but all guesses would be expressed in hundreds of millions. However, this is a false measure of the guilds, whose importance lies, not in their wealth, but in their power to regulate all the commerce and industries of one-fourth of the world's population.

Business failures are rare in China, for the guilds usually assume the obligations of the bankrupt, thereby preventing a disturbance of credits. It is seldom that a civil suit comes up for trial in a Chinese court, for business disputes are almost invariably settled by the guilds. A Chinese silk dealer would laugh at the suggestion that anyone but a guild of silk merchants could decide a dispute in the silk trade, and when one sees the celerity with which such cases are settled in the unofficial guild courts, and the cheerfulness with which the verdicts are accepted, he is inclined to agree with the Chinese point of view.

The Chinese utilize the guild idea of co-operation in dozens of ways undreamt of by the westerner, a good example of this being in the formation of the small "loan guilds." When Chang Wong finds himself in urgent need of \$500, he does not seek out some prosperous friend and ask him to go security on a note at the bank. He knows a better plan, which is the organization of a "loan guild" among his friends. For a loan of this size, he will probably try to secure twenty members, including himself, and each member will pay a first installment of \$25 on his membership fee, thereby giving Chang his needed \$500. Thereafter each member of the club pays \$25 monthly and each month lots are drawn for the lump sum of \$500. When a member has once drawn the lucky number, he is barred from further drawing, so that at the end of twenty months, everyone will have paid in \$500 in monthly installments and will also have received that amount in one lump sum.

EVERY Chinese cook in Manila belongs to the Chinese cooks' guild, yet the chief purpose of this very strong labor organization is not to force up wages. It is primarily a purchasing agency. Each morning all the cooks meet at the guild house with their orders for the day. These are added together and then the agents for the guild go into the market to purchase for their entire membership. As the largest buyers, they are able to get the pick of everything, and are also able to secure better prices than would be quoted to the individual buyer. The supplies are collected at the guild house and are then divided among the different members. In this way the needs of all the employers of Chinese cooks become well known, and if your cook leaves, he can immediately be replaced, through the guild, by another who is thoroughly familiar with your meal hours, your pet dishes, and your income.

The guild idea flourished in Europe in the Middle Ages, when many were formed. But they became too powerful, abused their privileges and were abolished by governmental authority. In Germany they remained active until 1869, and a great deal of the recent industrial development of Germany may be attributed to the activities of the many commercial organizations which are really guilds, through working under more modern names. In America the ancient guild idea is daily growing more popular. The rapidly lengthening list of associations, wherein all in a certain industry are combined, is evidence of the fact that co-operation is needed. When these associations are as completely organized and as efficient as those in China, we, like China, will need no anti-trust laws.

Competition is usually a buccaneer, and only when curbed by co-operation, is it the life of trade.



Not Nut Meats

Though the taste is like toasted nuts.

These are simply whole grains—Rice grains in this case—puffed to eight times normal size.

We sealed the grains up in guns. We kept the grains rolling, for one whole hour, in 550 degrees of heat.

That heat turned the moisture in the grains to steam, and created tremendous pressure. Then we shot the guns.

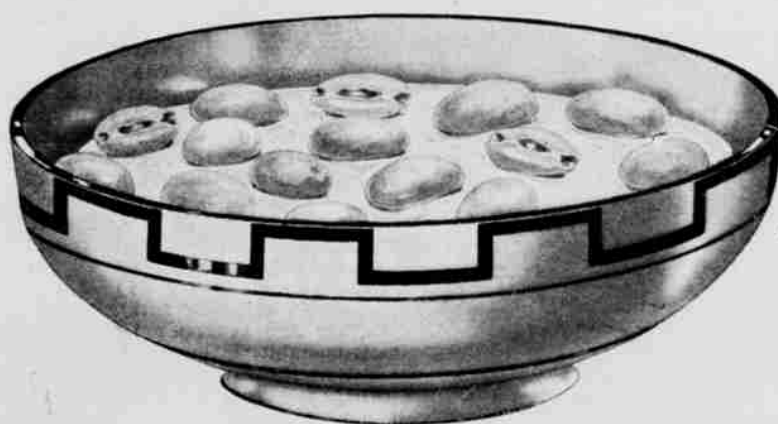
And these grains came out—steam-exploded—filled with a myriad cells. Airy and crisp and nut-like—walls as thin as tissue.

Like fairy wafers with a fascinating flavor.

And millions of dishes are now served mornings, with cream and sugar, or mixed with any fruit.

Puffed Wheat, 10c
Puffed Rice, 15c

Except in Extreme West



They Float

Countless homes now serve them also as a dairy dish for suppers. Serve them in bowls of milk.

They get whole grains with every granule exploded, so digestion can instantly act. Toasted, bubble-like wafers, four times as porous as bread. Fragile, crisp and dainty—the most inviting morsels ever made from grain.

And they use them like nut meats—use them in candy, use them to garnish ice cream. Children eat the grains like peanuts in the hungry hours between meals.

These are really food confections.

Tell your grocer to send you a package of each and see how your folks enjoy them.

The Quaker Oats Company

Sole Makers

Made by the process of Prof. A. P. Anderson

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