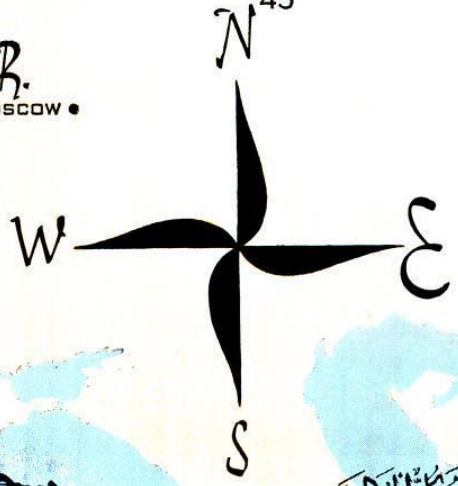


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THERE are 5,500 miles, as the jet flies, between the Straits of the Dardanelles and Tokyo Bay. Between is the world's hugest continent, and over half the earth's population. And here in Asia and Asian isles are 25,000 Rotarians—members of more than 620 Clubs in 26 lands.

Since 1919, when Asia's first Rotary Club was founded in Manila, The Philippines, Rotary has shown almost steady growth. In 1933 there were 55 Clubs and 2,800 members in 14 lands; in 1939, 150 Clubs and 6,100 members in 18 lands. By the end of World War II the figures had dropped to 75 Clubs with 3,400 members in eight lands, and in the next few



ROTARY IN



years the last of the 25 Clubs that had existed on the Chinese mainland died. But since 1945 Rotary in Asia has grown as never before. In Japan alone, on September 30, 1958, there were 269 Rotary Clubs; in India, 198. More have been added since.

Data on each Rotary country are listed on the map: the date of Rotary's entry; and the number of Clubs (C) and members (M) on September 30.

In awakening Asia, Rotary is a symbol of enlightenment, of warm helpfulness, of friendship between peoples of many races, nations, and faiths. Its Districts often include parts of several countries, and its influence shines on blood banks in India, refugee camps in Vietnam, playgrounds in North Borneo and The Philippines, destitute villages in Burma, blind children in Pakistan, on countless other places and persons.

Map by Robert Borja



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the Orient, aiming to help improve the living standards in these needy countries.

Inter-Asiatic trade is not only the agent of peace by economic ties in this region, but also the carrier of prosperity in the Pacific. Trade is really a road to peace throughout the world.

Life or Death for Hong Kong Warns G. E. Marden

A financier and shipowner, Hong Kong Rotarian Marden has served Rotary as Director, District Governor, and Administrative Advisor. He managed a British airplane works in World War II.

THE Crown Colony of Hong Kong, including the leased territories, has a total area of 391 square miles, of which only 80 square miles is—or can be—cultivated. It has a population of 2,677,000 and its natural resources of fishing and agriculture could support perhaps a quarter of this number. Foreign trade therefore means to Hong Kong more than a mere difference in the standard of living and, as will be seen later, it is not being melodramatic to call it the difference between life and death.

The Colony was founded as a trading center, and its population grew in line with the growth of the services it rendered as a distribution point for the whole of Southeast Asia. It quickly recovered after World War II, but then came the exodus from China as the Communist armies advanced southward and the Colony was faced with the need to support its new inhabitants.

Some of the refugees brought skills with them and some brought capital and the infant industries they set up grew lustily—so well, in fact, that with their aid the Colony gained breathing space and survived the catastrophe of the complete cessation of trade with the mainland. As a young producer seeking to compete with established suppliers, Hong Kong has met with strong opposition, political as well as commercial, in all parts of the world, but the resilience of its merchants and the enterprise of its factories have so far prevailed.

Most countries think of foreign trade in terms of the export of an agricultural surplus or of a small part of its manufactures together with the import of food and of goods of a quality or kind not readily produced internally. The text is often preached that it is only upon the support of a vigorous home market that a worth-while export trade can develop.

In Hong Kong there is almost literally no home market—its millions live too near to the subsistence level for there to be one!—and it must import most of its food.

But whilst paying for these food imports the ex-



Marden

ports from Hong Kong bring to the undeveloped areas of Indonesia and Southeast Asia generally the beginnings of a rise in their standards of living. The simplest manufactures of cotton, rubber, enamelware, iron and steel, brass, and copper bring clothing, shoes, and the means of cooking to millions and millions who would otherwise be without them, for they have not the wherewithal to buy the more elaborate product of the older manufacturing countries. It is Hong Kong's low cost of manufacture that permits the villagers in, say, Borneo to own a flashlight, to wear cotton clothing and rubber shoes.

This low cost is a characteristic and is, of course, bitterly criticized and resented by our competitors, but it is seldom realized that factory labor constitutes only a very small proportion of our needy people, and that the wages paid in all the modern factories are very much higher than the average wage level in the Colony. There are so-called cottage industries and small operators where earnings are pitifully low, but they enable whole families to exist.

Hong Kong's political vulnerability has been pointed out alike by friendly and adverse critics world-wide, but it is not too much to say that without the foreign trade which means so much in terms of living, it would immediately become an area where conflicting ideologies would endanger peace, where the specter of starvation would stalk, where there would be a conflict between agencies of differing ideological background in giving and demanding political credit for the very aid which our foreign trade now makes unnecessary.

The talk is of embargoes against and limitations of our exports. Such could easily be limitations of our ability to feed our people, limitations of our ability to contribute to peace in the Far East, and limitations which would recoil and hurt or even destroy their makers.

Hong Kong has never wailed or wilted under its troubles. It has seldom had other than a bad press almost universally, but I repeat that without its foreign trade it will cease to exist either as the result of privations or by being swallowed into the maw of totalitarianism.

Free China Widens Its Scope Notes R. C. Chen

Taipei Rotarian Chen was educated in China and the U.S.A. He is general manager of the Bank of China, has served as chairman of two important commissions on foreign exchange and foreign trade.

FREE CHINA, like many other countries in this region, relies heavily on her foreign trade to satisfy her needs and to provide her with the necessary foreign exchange. How to increase her foreign trade, therefore, is the chief concern of the Government as well as the people.

Since the evacuation from the mainland in 1949, incessant efforts have been made in this direction.



Chen

But only in recent years have results of such efforts gradually become more apparent. Some significant trends in the composition of Free China's foreign trade during recent years may be presented herewith for the interest of readers.*

Taiwan, being an island economy and predominantly agricultural in nature, had to import in the early '50s practically all the manufactured goods she needs. With the First and Second Four-Year Economic Development Plans put into operation by the Government and implemented by the unremitting efforts of foreign exchange and trade authorities throughout their successive administrations, industrialization and economic development have taken remarkable strides in recent years. Many commodities, formerly imported, are now being replaced by domestically manufactured goods.

Breaking down the import statistics into three categories—capital equipment, raw materials, and consumer goods—the composition of Free China's imports in recent years shows a gradual decrease in the import of consumer goods while the first two categories have increased percentage-wise from year to year. This means Free China's foreign-exchange resources are being judiciously utilized for import of essential supplies rather than consumer goods. Furthermore, this result has been achieved without any adverse effect on the general standard of living of the people. On the contrary, consequent upon the development of domestic industries, the general standard of living has been greatly improved as compared with only a few years ago.

In earlier years, a large portion of imports consisted of U. S. aid commodity arrivals. Lately the trend shows that more imports are financed by Government foreign exchange and privately owned foreign exchange. In other words, Free China is now depending less upon U. S. aid to meet her needs. More efforts are still required to encourage imports with privately owned foreign exchange, as imports under this category thus far have accounted for only about 7 percent of the over-all total. With new measures promulgated by the Foreign Exchange and Trade Control Commission (FETCC) giving priority to applications for imports with self-provided foreign exchange, it is expected that an increasingly higher percentage of imports financed with private exchange will ensue, thus conserving Government foreign-exchange resources.

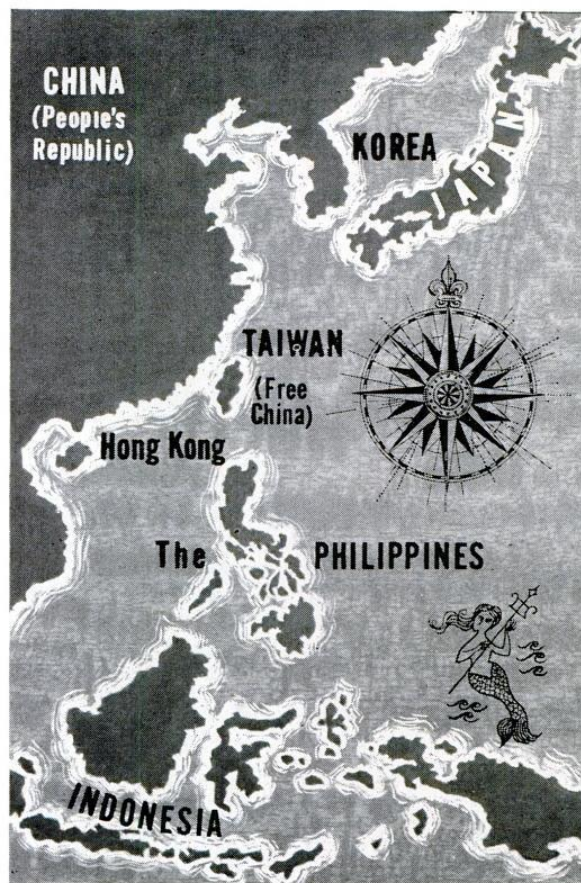
Taiwan, while under Japanese occupation from 1895 to 1945, was made a source of supply of raw materials and agricultural products for Japan. It

* Composition of imports:

	1955	1956	1957	1958
Capital equipment	19.8%	24.3%	27.5%	24.0%
Raw materials	51.7%	50.2%	48.8%	51.2%
Consumer goods	28.5%	25.5%	23.7%	24.8%

Composition of exports:

	1955	1956	1957	1958
Sugar and rice	75.2%	69.2%	84.6%	77.7%
Other goods	24.8%	30.8%	15.4%	22.3%



was also a market for Japanese manufactured goods. Thus, there were only a few industries, and primary products—sugar and rice—were Taiwan's major exports. This situation is now being changed. The trend in the composition of Free China's exports is that sugar and rice are occupying a gradually lower percentage as compared with the total proceeds, while industrial products such as cement, petroleum, bicycles, chemicals, plywood, etc., have made their debut in the world market as an important part of Free China's exports.

In other words, Free China is now diversifying her exports so that her economy would not be too much affected by the fluctuation in the prices of a few primary products.

As mentioned above, Taiwan was completely dependent on Japan prior to its restoration to China. As a matter of fact, Japan still plays a very important rôle in the foreign trade of Free China. However, the trend is gradually diverting from such dependence. In the last few years, Japan's share of Free China's foreign trade has gradually become smaller, although Japan's trade with Taiwan still accounts for almost half of Free China's exports and imports.

Efforts in establishing new markets for Chinese products have resulted in more trade with other nations in Southeast Asia, the Middle East, and even the Western Hemisphere.

These significant trends represent Free China's

efforts in strengthening her own economy as well as contributing to the prosperity of the world. By importing more capital goods and raw materials, her industrialization would be stepped up; by depending less on U. S. aid, she tries to stand on her own; by being less dependent on the export of a few primary products, her economy would be stabilized; and by widening her trade areas, she would be in a better bargaining position in the world market.

All these are being done with one fixed purpose: that of bringing prosperity to herself as well as to her partners in the free world.

It is Free China's firm belief that prosperity is the strongest deterrent to war, and hence the key to world peace.

This is an extract from *《The Rotarian》* magazine January 1959. This is a special issue salutes Asia, vastest of the continents, home of more than half of the earth's people, cradle of civilizations, giver of religions, and, since 1919, an enthusiast for Rotary Clubs. As the map shows, there were in 1959 more than 620 between the Suez Canal and the Mariana Islands out in the Pacific.

On the roster of Rotary Clubs encircling the earth added the 10,000th Club which was from Asia. It is in Mandvi, India, with 25 charter members.

To mark this issue special, the Editor invited Rotary leaders from various Asian countries to express their opinions and vision. Extract here are two contributions from:

(1) the British Crown Colony Hong Kong, George Ernest Marden (Rotary Club of Hong Kong) / President 1928-1929 of Shanghai Rotary Club (Republic of China) / Governor 1949-1950 of the 57th District / Rotary International Director 1951-1952 / Administrative Advisor 1953-1954;

(2) the Republic of China – Taiwan, R. C. Chen (Rotary Club of Taipei).

Rotary Clubs Hong Kong and Taipei were both former members of the 57th District before 1952, and later the founding members of Rotary International District 345 on 1 July 1960.

This article was edited by Herbert K. Lau (劉敬恒) (Rotary China Historian) on 1 June 2015.