

THE SHANGHAI PUBLISHING HOUSE

by Luann Foster Pilkington*

It's a long, long way to Shanghai from Nashville, the trip is exorbitantly expensive, and the traveling companions are sometimes less than pleasant and cooperative. So the Publishing House of the Methodist Episcopal Church, South discovered in its twenty-one-year (1898-1919) venture as half owner of the Union Publishing House in Shanghai, China. It also found out some basic facts about missionaries: that they get along quite well with other missionaries in their field, regardless of denomination; to a lesser extent with board secretaries and connectional officers who usually were less familiar with conditions on the mission field; and still less popular were mission projects when said bodies or people are projected by legislative agencies such as a General Conference miles away. The House also received an expensive education in the inscrutable ways of China; the principal lessons being that Chinese could print faster and cheaper in China with primitive, man-powered equipment than Americans could with the best machinery the West could manufacture, and that a rebellion or revolution could blow up quicker than a spring tornado with about the same amount of devastation.

The checkered career of the Shanghai House started in the Southern General Conference of 1898. News that the Federal Government had paid the Publishing House \$288,000 for the occupancy, use, and damage of its Nashville buildings during the Civil War¹ was abroad throughout the

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¹This payment was sought for many years by a succession of efforts, and a succession of agents and lobbyists. It was finally approved for payment by the United States Senate in 1898, but under such circumstances that many in the church felt subterfuge had been involved and demanded return of the money. It was eventually kept, but the issue was not settled until the General Conference of 1902.

church and the prevailing attitude of the Conference was one of cooperation and willingness to help the Publishing House spend the money. The proposal advanced by the Board of Missions, or, more precisely, by the missionaries of the Southern Church's China Mission (a proposal to establish a publishing house at Shanghai, China) was approved, and the Book Committee was "authorized and instructed, if they deem it for the best interest of the Church,"² to establish such a house. The Book Committee was not to spend over \$50,000 on the venture, which was to be a joint one with the Board of Missions of the Southern Church, that body to invest an equal amount.

While the joint venture was being hailed as an example of cooperation between two major boards, the venture itself was running into obstacles, even before its launching. In the first place, the War Claim money couldn't be used for the Shanghai House. Because of an ill-fated telegram involved in the collection of the sum that seemed to mislead the U.S. Senate when it was voting on the appropriation, the Bishops were about to give it back to the Government. In the second place, the glad news to the personnel of the China Mission Conference — that they were indeed to get their long-hoped-for publishing house in Shanghai — contained a sour note: the Southern Book Committee, not the Mission Board, was to be the agency to establish the Shanghai publishing house. If it had been the Epworth League Board or the Commission on Articles of Religion, they couldn't have been any more non-plussed. This attitude was best described by Dr. Young J. Allen, senior Southern Church missionary in China, editor of two mission newspapers, founder and president of the Anglo-Chinese College in Shanghai, before the Southern Church's 1906 General Conference when the subject of the Shanghai House was being rehashed:

I was sent home in 1898....with special reference to enlisting our church in this great work and getting an appropriation from them in its behalf. That movement, so far as we were concerned, was

²*Journal of the General Conference of the Methodist Episcopal Church, South, 1898, p. 209.*

expected at the time, and the money was named and appropriated, and I thought it would properly go into the hands of our missionary society. But I was greatly surprised to learn that the Book Committee was adjudged, I suppose by the General Conference, to be the best parties to manage this [publishing] Concern; and so the money was left in the hands of the Book Committee.³

Back home after General Conference, the Agents and the Book Committee had all they could say grace over, without the Shanghai House, and so gratefully accepted the suggestion of Bishop Alpheus Wilson, in charge of the mission in China, that they do nothing until he could return to the China Mission, see how things stood, and report back.

In the meantime, for the remainder of 1898, 1899, and up to the May meeting of 1900, they looked around for somebody suitable for manager of the proposed House and asked Missionary Secretary W.R. Lambuth to put them in communication with an architect and builder in Shanghai.⁴

During this two-year period the Boxer Rebellion was brewing, and in June of 1900 it erupted into the horror that has given it its grisly place in history, the anti-foreign sentiment being concentrated, at least at first, against the missionaries of all the Christian churches in the country. Many were slaughtered, more were imprisoned, mission work was abandoned.⁵ Because of its location the Southern Church's China Mission Conference, centered around the cities of Shanghai, Sanchow, and Nansiang, escaped the full force of the violence, the worst of which was in northeast China, around the imperial city of Peking.

It was just a month before the official beginning of the Boxer Rebellion that Dr. Lambuth appeared before the Book Committee and told its members that, if they were going to establish a publishing house and plant in China at all, they'd better get busy and do it immediately.⁶

The Book Committee redoubled its efforts to find a suitable manager. The Bishops and the Board of Missions

³*Daily Christian Advocate*, General Conference of the Methodist Episcopal Church, South, May 22, 1906, p. 124.

⁴Minutes of the Book Committee of the Methodist Episcopal Church, South, June 7, 1899.

⁵*Encyclopedia Britannica*.

⁶Minutes of the Book Committee, *op. cit.*, May 3, 1900.

were asked to suggest candidates for the place, and the Book Committee asked Chairman Collins Denny to go to China and look into all matters pertaining to the establishment of the house. Dr. Denny refused, with regrets, because of the pressure of official and family duties.⁷

Early in 1901, the Board of Missions instructed the China Mission to select a site from the Board-owned property in Shanghai adjacent to the Anglo-Chinese College "of suitable size and location for the erection of the Publishing Plant...said lot [to be deeded] to the Book Agents...without charge or encumbrance."⁸

Two months later the Book Committee found its manager, the Rev. Dr. R.P. Wilson, long-time editor of the *Pacific Methodist Advocate*, a pastor and religious journalist of some note in the San Francisco area, and elected him to the post beginning September 1, 1901, fixing his salary at \$2,500 per annum, an adequate but not unduly large amount for state-side connectional officers at that time, but about twice the salary of the missionaries at the China Mission in Shanghai.⁹ This appointment made, the Southern Board of Missions asked the Book Committee to send Agent D.M. Smith to China along with new manager Wilson to see to such matters as apparently could not be accomplished by correspondence, including securing the title to the land from the China Mission and hiring the contractors to build the house and plant.

That summer the Book Committee sold \$50,000 of its City of Nashville bonds to finance its share of the Shanghai House,¹⁰ use of the war claim money being out of the question, as explained above. Smith and Wilson sailed on the *China* from San Francisco on September 12, 1901, with fourteen missionaries of the Church, South. For the remainder of the fall the Book Committee busied itself setting up \$5,000 monthly-payment procedure for the Shanghai

⁷*Ibid.*, July 6, 1900.

⁸*Ibid.*, February 11, 1901.

⁹*Daily Christian Advocate*, *op. cit.*, p. 125.

¹⁰Minutes, *op. cit.*, August 23, 1901.

construction; trying to get the title to the land from the Board of Missions; and incorporating and chartering the venture under the name of the "Board of Trustees of the Anglo-Chinese Press."

In December of 1901 the Northern Missionary Society dropped a bombshell with a letter to the Southern Book Committee that it had approved in a general way a plan for a union Book Concern at Shanghai to be established by the Church, South, and the Missionary Society of the Methodist Episcopal Church (North). The letter said that a committee of five had been appointed to negotiate with the Southern Church regarding the details of a plan, and suggested an early meeting in Washington, D.C. It went on to say that the Rev. Mr. W.H. Lacy, Agent of the Northern Church Press in China, was currently in America, and the Society thought it wise to have a plan of action agreed upon before his return to China.



William H. Lacy

This leisurely, utterly unexpected communication rocked the Book Committee, in view of the decisions and strides they had made on the Shanghai project, and Chairman Denny's reply was crisp. The Book Committee, he said, had already "gone a great way toward the establishing of a Publishing House in Shanghai." They had the land from the Southern Board of Missions. They had a manager "even now" in Shanghai with Agent Smith. The architect's plans had been accepted and construction was getting underway. The money for expenses was already in Shanghai. They had a charter of incorporation under the laws of Tennessee. They were long past the point of discussing preliminary plans and did not think it worthwhile to hold a meeting in Washington unless the Society had some concrete propositions to offer.¹¹

The Northern Missionary Society, in the person of the Rev. Dr. A.B. Leonard, Corresponding Secretary, replied promptly that the Northern Church had indeed done something about the Shanghai House and enclosed a "Draft of the Plan for Union," created by Northern Missionary Bishop David H. Moore, the Rev. Mr. Lacy and Dr. A.P. Parker of the Church, South, all of Shanghai.

Again, the Book Committee was stirred to its foundations. The plan called for the formation of a Joint Stock Company; administration by a Board of Directors who, fairly obviously, would have to be local missionaries; the purchase of everything at the Northern Methodists' Foochow Publishing House by the Shanghai House (business, good will, machinery, and stock); and all dividends after operating and improvement expenses to go to the two churches to be used for their work in China. Dr. Denny on January 8, 1902, replied that "no one in China had directly or indirectly any authority from our [Southern] Book Committee to enter into any agreement with reference to a Union Publishing House."¹²

The plan brought into bold relief the basic difference in Book Committee thinking and Missionary Board (North and South) thinking. To the missionaries the money had been

¹¹*Ibid.*, December 23, 1901.

¹²*Ibid.*, January 20, 1902.

appropriated (it just happened to be Publishing House money) and they could do the rest. To the Book Committee the money appropriated was theirs (two thirds of their good municipal bonds, in fact) and they proposed to protect their investment with an equal share in the administration. Neither did they want to buy Foochow, suspecting or knowing that the machinery and stock were worn and dated. They were certainly not interested in having a Union House in Shanghai under their sole management, but they wanted their fair half. Also, rerouting the House's dividends to the China missions was against the Sixth Restrictive Rule, which said Publishing House dividends could go only to the superannuated preachers.

Dr. Denny wrote Dr. Leonard saying all this. Leonard wrote back that the Book Committee need not take fright — that the Shanghai Plan was just a suggestion.

By correspondence the two agreed that a meeting of minds and bodies was imperative. Both bodies appointed special committees and after the usual cancellations and reschedulings because of illnesses, conflicting trips, and other meetings, they met at the home of Dr. John F. Goucher, chairman of the Northern Church's special committee in Baltimore on August 5, 1902, by which time the Shanghai House building had been built and was ready for occupancy.¹³

The *Nashville Advocate*, in reporting the meeting, opened the article with something of an understatement: "After several unavoidable delays this matter [the Joint Publishing House in China] has again been taken up and very promptly disposed of."¹⁴

The plan was ratified by both the Northern Missionary Society and the Southern Book Committee, and they created a Board of Directors: Collins Denny, Joseph B. Morgan, and John B. Ransom from the Southern Book Committee; Homer Eaton, Publishing Agent (and also treasurer of the Northern Board of Missions); John F. Goucher, and Samuel

¹³*Ibid.*, August 20, 1902.

¹⁴*Christian Advocate* (Nashville), August 28, 1902, p. 1.

Skidmore from the Northern Church. Dr. Eaton was elected Chairman of the Board, Dr. Denny, secretary, and John Ransom, treasurer.

The plan limited the capital to be invested to \$100,000 U.S. Gold but began with payment of \$25,000 each by the Board of Managers of the Missionary Society of the Methodist Episcopal Church and by the Book Agents of the Methodist Episcopal Church, South, "to be paid within thirty days after adoption of this plan." Fifteen thousand dollars more could be called for from each of the "two parties aforesaid" by the Board of Managers if the business needed it. The profits not needed for normal revenues, enlargements and improvements, the plan stated, were to be divided equally between the Northern Missionary Society and the Southern Book Committee. All other mission interests were to remain as currently organized and established. The Shanghai House was to occupy the property in Shanghai built by the Southern Book Committee, and a rent equal to 5 per cent of the actual cost of the building was to be paid to the Book Committee.¹⁵

Regarding the publishing house already at Foochow, the plan called for giving preference to its machinery and materials in equipping the new house, but added that no Foochow House machinery would be taken unless it suited the needs of the new house. Shortly after the ratification of the plan, it was decided not to disturb the Foochow House at all since it was long established and a "thriving business." It was agreed, therefore, that the Board of Directors would rent the Foochow House, on the same terms as it rented the Shanghai House, and leave Foochow to its prosperity.

Everything seemed fine now except for one thing. The trustees in Shanghai of the Southern Church's Mission property upon which the Book Committee building stood, gleaming and new, wouldn't transfer the lot to the Book Committee. They were afraid it might eventually find its way out of the church altogether. On the western end of the property was Young J. Allen's house, cut off, so to speak unless adequate provisions were made. These provisions

¹⁵Minutes, *op. cit.*, August 20, 1902.

were that the Book Committee pay the Southern Board of Missions \$3,600 gold to build Dr. Allen another residence, and that a road twenty-five feet wide on the south side of the lot opening out into the main road be set apart for the use of the missions.

Committees were appointed, meetings scheduled, resolutions made and exchanged. The Book Committee, in session with the Southern Board of Missions, promised never to let the property leave the church and agreed to pay \$2,000 for Dr. Allen's new house.¹⁶ Finally, in May of 1904, the Mission Board instructed Allen to go ahead and give manager Wilson the deed to the property which he had been demanding for two and a half years. Debate over the passageway, which had to be used by both the Publishing House and the Missions personnel, went on for another two years.

A few months prior to this, at the beginning of 1904, the Shanghai House had had to be reincorporated and rechartered under the laws of the State of New York "to secure equality in the management and proceeds of the projected Publishing House in Shanghai." This brought in a restatement of the Plan of Union, or constitution, of the Shanghai House and a reelection of the Board of Directors — all remaining the same.¹⁷

At a meeting of the Book Committee on May 4, 1904, Dr. Denny gave the report they were all waiting for — what the House had accomplished its first sixteen months, from September 1, 1902 to January 1, 1904. It had lost \$19,400 Mexican or about \$8,000 gold. This reference to Mexican and gold was due to the fact that as far back as the sixteenth century Spanish money was one of the chief kinds of currency in China.

The Carolus dollar, as it was called, was brought in as early as 1586, when the Spanish traders were operating from the Philippine Islands....Up until 1824 the Carolus dollar was minted in Mexico, when it came to be replaced by the "peso." This replacement

¹⁶*Ibid.*, February 12, 1903.

¹⁷*Ibid.*, December 16, 1903.

naturally occurred in China, too, where the Carolus dollar had been so popular. For a short time....the Mexican dollar was the most widely used coin in the world.

The use of it was especially common in and around Shanghai even after the minting of the Chinese "yen." In 1911 there were over 500 million of these "pesos" in use in Shanghai.

In the reports on the Shanghai House by the Board of Directors mention was made of the exceeding instability of the currency exchange, and for this reason it seems, the Mexican "peso," as a stable unit, was chosen.¹⁸

The inventory, however, showed a property of considerable value. The Publishing House building and residence was worth \$8,200; the machinery and fixtures — the best, purchased and shipped to Shanghai by Agents Smith and Eaton, were valued at \$28,000.

In the summer of 1904 the Book Agents reported that of the \$50,000 ordered by the Southern General Conference to be spent for a Shanghai Publishing House, they had paid \$32,000. The Northern Church had paid the same, \$10,000 of their amount being the value of the printing establishment taken over at Foochow. The same summer the Board of Directors of the Shanghai House met in New York and drafted a request to both the Northern Missionary Society and the Southern Book Committee for \$15,000 more from each of them to enlarge the main building in Shanghai. The Committee and Society complied, Manager Wilson employed an architect, and a foundry was erected on the lot, a few feet distant from the main building.¹⁹

The Shanghai House now consisted of the Book Committee's new building, Dr. Allen's former residence, and a foundry — all on a lot at the corner of Quinsan and Woosung Roads approximately 146 feet by 130 feet, considerably less than a third of an acre in area, or urban-wise, about two and a half standard city residential lots in size. The Book Committee building housed a bindery with \$6,000 worth of equipment, a printing department with \$11,000 worth of machinery, a book store and merchandise depart-

¹⁸James P. Pilkington, "Serifs," in *The Circuit Rider* (Nashville: Methodist Publishing House), May 1949, p. 1.

¹⁹Minutes, *op. cit.*, July 8, 1904; October 4, 1904.

ment, and the manager's offices. The foundry and residence were behind the main building which fronted on both Quinsan and Woosung Roads. On the south side a wall divided the Publishing House property from the China Mission establishment, usually referred to as a compound. Power for the Shanghai House was supplied by an English-made gas engine which could be operated and repaired locally. Any other Western-made engines were unfamiliar for operation or repair to local help.

The Foochow Publishing House had a main building valued at \$4,000 gold, 60 by 80 feet; a kitchen building, including a foundry 20 by 20 feet; and a book store and office 24 by 55 feet. It was described as "a thriving business of thirty years continuance" in 1903, and was owned and operated by the Northern Missionary Society until that date, when it became a part of the joint Publishing House enterprise in China. It had, as was frequently pointed out to the Book Committee by both Northern and Southern Missionary Boards, a hefty, "constituency" or following — something, they implied, the Shanghai House could never have under the Book Committee, who understood neither the mission field nor the conduct of a business in China.

As the search for a likely manager from the Southern Church had gone on for three years before the Rev. Mr. Wilson was hired, so the search for a plant superintendent for the Shanghai House followed the same pattern. Dr. Denny described the plant superintendent problem as "one of the most serious difficulties this Board [of Directors of the Methodist Publishing House in China] had to deal with."²⁰

Prospects for finding a superintendent were poor in Shanghai. Both Managers Wilson and Lacy had made repeated requests for a satisfactory superintendent from the States. That meant that a qualified man, agreeable to both churches, had to be found and trained — not only in church publishing, but in church publishing as it was conducted or supposed to be conducted in China. The man finally selected was Abraham Rosenberg, "well-reported," according to Dr. Denny, "as a

²⁰*Ibid.*, February 27, 1905.

Christian gentleman and an earnest worker, and also a printer of some experience." He spent several months being trained in the various departments of the New York Book Concern and was "pronounced competent by several foremen under whom he worked." He sailed for Shanghai in January, 1905.²¹

About this same time the Southern Board of Missions, in a letter from Dr. Seth Ward, Assistant Secretary, let it be known that they would like to "acquire the interest of the Book Committee in the Methodist Publishing House in China" if they could afford it.²² They asked Dr. Denny for the Book Committee's records on the House. Dr. Denny obliged promptly. The assets of the House as of January 1, 1905, were \$114,000 Mexican (or about \$46,000 gold). Foochow's assets were about \$30,000 Mexican.²³

The Board of Missions indicated that the Book Committee records did not contain all the information they needed and, besides, the whole matter had better wait another year until General Conference, since the transfer couldn't be made without its authority.

During the sixteen months between January, 1905 and the meeting of the General Conference in May, 1906, the Book Committee must have wished many times that the Shanghai House belonged to anybody in the world except themselves, providing they could get back their \$56,000 investment in the place. The news from Shanghai was mostly bad. The Chinese Empire was in a state of unrest which continued to manifest itself in hostility toward foreigners. To this simmering pot was added a powerful irritant in the form of the Chinese Exclusion Act and its strict enforcement in many parts of the United States. China reciprocated with active agitation against American commerce in China which affected missionary operations of all types.

The Rev. Mr. Lacy, the Northern Church manager, had to come home on furlough because of failing health, leaving

²¹*Ibid.*

²²*Ibid.*, September 30, 1905.

²³*Ibid.*, March 10, 1906.

Wilson in sole charge. There was serious conflict between Plant Superintendent Rosenberg and Wilson, at least over the operation of the plant, if not in several other areas. As far as Wilson was concerned, Rosenberg seemed to be the last straw. For five and a half years, Wilson had been a stranger in a strange land on two fronts — an American among Chinese and a Publishing House man among missionaries. He worked practically in the lap of the China Mission and although everyone tried to be a Christian about it, resentments did show, friction did develop.

The fact that the Northern Church manager, Dr. Lacy, was a missionary among missionaries only served to give Wilson a greater sense of isolation. He was ten thousand miles from the Book Committee, and although they supported, sustained, and informed him as effectively as possible from that distance, the communication between Shanghai and Nashville could not keep up with the rumors, criticism, and friction that aggravated his trying position. From the Summer of 1902 until the turn of the year in January, 1903--a term when the Shanghai House was scheduled to open for business even as the Northern Missionary Board and the Book Committee were working out the union plans in Committee--the organizational machinery was so bogged down that Wilson received no salary or business expense money. The rumors said the Book Committee building would not be used for the Shanghai House, and, as rumors grow, that indeed there would be no union publishing house at all. Dr. Denny straightened out the situation and fully assured Wilson, but the scars of this incident and many more remained. A strange quiet descended after Rosenberg's arrival. Although he asked many times, neither Wilson nor Lacy would answer Dr. Denny's queries as to how Rosenberg was performing as plant superintendent.

Early in 1906 Wilson cabled Dr. Eaton, chairman of the Shanghai House Board of Directors, to recall Rosenberg. Almost immediately Eaton received a second cable, from Rosenberg, saying he had been fired and asking for an investigation. Eaton cabled Wilson directing the reinstatement

of Rosenberg pending an investigation. Wilson wrote the Board of Directors a formal letter of resignation. The Book Committee was acclimated to hearing nothing particularly good from Shanghai, but this was a bolt from the blue. Dr. Denny's answering letter to Wilson goes from stunned incredulity to stern indignation, mingled with the basic truths about a mature sense of responsibility and consequences. It says, in effect,

We were the last to know of the Rosenberg trouble-- and had to hear it from Dr. Eaton. It was terribly embarrassing to face the Northern Church men and not be able to explain your actions because we were ignorant of them. With Dr. Lacy in the States you are in sole charge of a great and costly enterprise and what have you done? You fired Rosenberg and then quit yourself. You propose to leave the whole thing managerless. Your resignation will jeopardize the thousands of dollars our church has invested and, more important, leave us open to criticism because we jeopardized the money and reputation of the Northern Church. Even worse, we don't know why you did either and so have no answer to give those who have criticized both you and us because we sent you out there in the first place as our representative and manager. You've discredited us individually as well as the church and you disregard a plain duty, and you simply cannot do it. Your detractors always said you'd break down in a crisis, and you are proving them right, although we've stood behind and supported you in every way to the best of our ability. You simply must write us your side of the story and it will receive full, fair and important consideration. In the meantime you will have to stand by your post and meet any difficulties, embarrassments, friction, and dangers as a long-time trusted man ought to meet them. You and Rosenberg will just have to learn to coexist. Why don't you both try minding your own business and tending to your own jobs? You'll have to stay at least until Dr. Lacy returns since you can't leave the House without a manager. You aren't the only one having a hard time. Remember...we are not sitting in easy chairs and in paradisaical conditions calling to you...we too, as you may recall, have had friction, criticism, obstacles to meet, and by the Grace of God we have tried to do the work of the Church.

P.S. Send us the Agents Report on Shanghai and Foochow for General Conference.²⁴

Manager Wilson's "side" of the story--explaining his dismissal of Rosenberg--has not survived, if he gave one, but

²⁴*Ibid.*

he did send the Report. He also stuck it out another year until Dr. Lacy's return to Shanghai in January, 1907, his resignation having been accepted by the Board of Directors in September of 1906. The Book Committee paid his and his family's passage back to the States, as they had paid it over. (One of the not inconsiderable expenses of the Shanghai venture was the round trip fare to China for the various people involved in the project.) A coordinate-agent management of the Shanghai House was not attempted again. Dr. Lacy was put in complete charge and the Book Committee paid half his salary.²⁵

In his report to the 1906 General Conference of the Methodist Episcopal Church, South, prefacing the financial statement of the Publishing Houses in China, Dr. Denny announced with regret that "the health of Dr. Wilson is also impaired, but our latest information is that he can continue in charge at least till mid-summer, perhaps for some months longer." The statement showed the Shanghai House as "not yet self-supporting," being at a disadvantage in competition with "Chinese and Japanese printing and publishing houses whose purpose is solely commercial."²⁶

At this General Conference of the Southern Church a concerted move was made to take the Shanghai House from the Book Committee and give it to the Board of Missions. The resolution read, "That the Book Committee is hereby instructed to transfer their interests in the union Publishing House in Shanghai to the Board of Missions of the Methodist Episcopal Church, South, without remuneration."²⁷ The Book Committee didn't want to give it away and the Board of Missions not only could not afford to buy it but also were in no position to spend "another cent on the property"--yet before the Conference at the time was a resolution calling for the expenditure of another \$10,000 for enlargement of the building. It took both Book Committee and Mission Board

²⁵*Ibid.*, January 16, 1907.

²⁶*Ibid.*, March 10, 1906.

²⁷*Daily Christian Advocate, General Conference of the Methodist Episcopal Church, South, 1906, p. 124.*

representatives a good while to get these truths across to the assembled representatives and it took Dr. Denny a while longer to make them understand that a transfer was impossible under the special New York charter that the House had--a charter specifying that three of the Directors be elected by the Book Committee--a charter that the State of New York would most likely refuse to change. Also, that the free transfer constituted giving away part of the produce of the Publishing House to something other than the Superannuate Fund and was therefore against the Sixth Restrictive Rule.

Finally understanding, the Conference voted in the original resolution, which called for an expenditure of \$10,000 to enlarge the building in Shanghai,²⁸ and the Book Committee kept their expensive project and hoped for a little luck and prosperity to bolster their investment.

The debate on the subject, however, afforded the opportunity for a lot of spleen-venting from both sides--the Book Committee and the missionaries--which may have served some good purpose in easing tension.

Dr. Allen (whose house was on the Shanghai House property) described to the Conference the first years of the business:



Young J. Allen

²⁸*Ibid.*, p. 126.

...I have been an eye-witness, living within twenty feet of the house that has been built and operated, and being in the house two or three times every day during its whole existence; and so I could enumerate details that would show you that not from the very initiation of the enterprise was there any indication of success. It is simply impossible under the management. For instance, they sent out the best presses that were to be had.... They did not send out any man that was competent to set up these presses. So they came and were tumbled down on the floor of the building. There was no one there that ever saw one before. No one knew anything about setting them up, or running them. Finally, a man came, looked on, and took his departure.... He evidently found the job he had undertaken too much for him. So it went on from year to year. The Secretary from the Northern Book Concern [Homer Eaton] went there, and was dismayed when he found no one competent to manage the press. He picked up a man. And they have been picked up haphazard. Some of them, perhaps, were tramps from Manila; some of them were seeking money to further them to the next place. So the managers that were sent over there have been dependent, in the pressroom, for all work on just such help as that.... I see no chance whatever for its success, because there is nobody connected with it that has any comprehension of the material part of it, nor of the great interests that the press was set up to serve.... My dear friends, with a demand commensurate with China's four hundred millions, and with the opportunity to a great country in revolution, that is waiting for...reading matter for the whole country--with such an extent and such opportunity, for us to be playing as we have been playing with that great institution called a Publishing House, which yet is nothing more than a little job concern....

Allen went on to describe a neighboring commercial press started by Chinese boys educated in the mission school who started with \$2,000 and built it into a \$200,000 business in eight years. He continues:

What we want to do is to make a Publishing House, not a job printing concern. What have we got? We have got, often, not more than thirty men, never more than fifty men, employed in our place, and the work they get is work that overflows from the Presbyterian Mission Press and from the Commercial Press....

Dr. Allen said he tried to get the Publishing House the contract to print the books of the Society for the Diffusion of Christian and General Knowledge, of which he was a prominent mentor, but Publishing House prices were too high

and they were always underbid by other printers and publishers:

The prices are too high and they cannot make prices like the Chinese. They are top-heavy--two managers with twice the salary of any missionary, and then a large staff....another reason [for lack of business] is, we have no Chinese constituency. Every business house in Shanghai is run by a comprador who buys and sells and knows where to find things. In our house there is no comprador. I do not believe they would know how to use him. There is no sympathy and relationship between the house and the great Chinese publishing interests in literature.²⁹

Denny confined his remarks for the most part to an explanation of the legal complexities that made the transfer impossible, but let himself go briefly on the general subject of the church's attitude toward the Southern Publishing House:

For some reason when no other target is to be found in the Church, that target [The Publishing House] is always on the range. I have never been connected with anything in my life that has been subjected to the criticisms and attacks and assaults of various kinds that the Publishing House has been subjected to; and the mystery to me is how it has been able to keep its feet in the face of the criticisms and attacks and the suspicions directed against it.

He also said he would sever his official connection with the Shanghai venture.

I shall not remain on the Board of Directors of the publishing house in China, and I take that stand not because I am trying to shirk any responsibility, but because I want to get out of the way, feeling very sure that I am *persona non grata* in certain quarters, and let some one else carry it.³⁰

It was C.M. Armstrong, a member of the General Conference Committee on Publishing Interests, who, after a strong defense of Dr. Denny and the tremendous and thankless service he had done, presented the Publishing House side of the Shanghai venture in plain language:

....We have had in operation this Publishing House in China less than three years. How many people in America have taken \$100,000, say, and made it a profitable concern with a great book business, and printing business, in less than three years?....That

²⁹*Ibid.*, p. 125.

³⁰*Ibid.*

when it is required of our Book Agents to take that money of the Book Concern and plant it in a publishing house in China--not the money of the Mission Board--and when they are laboring with that concern and have developed it to that point where it now appears that the income just about barely meets its expenses, have they not done well, and should not our Book Committee have encouragement and approbation in their difficult undertakings rather than the opposition of the Church which has put this burden upon them?...Let any body of Americans undertake to carry on business in the foreign lands and see how much better they will do it.³¹

Right after General Conference the Board of Directors met and elected Dr. O.E. Brown of Vanderbilt University to take the place of Dr. Denny. Just a year later, Dr. Allen died in Shanghai, on May 30, 1907, terminating a distinguished forty-eight year career in the China mission field. Under the single management of Dr. Lacy, with a solid background in mission work, the temperamental, if not the financial, climate of the Shanghai House seemed to improve. During the 1906-1910 quadrennium the needed improvements and additions to the House were made, a new plant superintendent from the States, J.E. Cowan, was hired. Some months later his wife and two small daughters joined him in Shanghai.

At the General Conference of 1910 two of the main Southern Church characters in the Shanghai House story--Dr. Denny and Dr. Lambuth--were both elected bishops. Denny had been on the Book Committee since 1892 and a member of the Shanghai House Board of Directors from 1902 to 1906. Lambuth had been Secretary of the Board of Missions since 1892. Denny was by profession a teacher, a long-time and prominent member of the Vanderbilt University faculty; Lambuth, a surgeon, was a medical missionary in the China Mission Conference.

The Publishing Agents in their 1910 report said they had paid out to Shanghai something in excess of \$6,000, most of which was their share of Manager Lacy's salary, and were preparing to pay \$1,500 more, their share of enlargement costs on the House.

In 1911 China was again in the grip of a revolution, with

³¹*Ibid.*

the usual disrupting effects upon business and the mission field, and a new move to transfer the Shanghai House from the Book Committee to the Board of Missions was afoot. Special committees on both sides were again appointed, but actually stopped at that for the time being because the Board of Missions again declared itself to be in no position to take on any new obligation in China. Coinciding with this was a second union move--the unification of the Publishing House in China with the Presbyterian Publishing House in Shanghai, and Dr. Lacy was instructed to secure from the Presbyterians such terms of union as they would be willing to submit to their Mission Board in New York. This union was viewed with some enthusiasm by both denominations, since both presses had been rather oppressed by the expenses of the salaries of their American officers, and a consolidation would mean a great reduction in expenses by making fewer officials necessary. This project simmered for several years before it was abandoned.

Early in 1912 Lacy submitted the most heartening report to date on the Shanghai House. True, the merchandise department had suffered as a result of the Revolution, but business in general was beginning to improve as political affairs were adjusted, missionaries were returning to their stations, schools were opening, and a revival of business surpassing anything yet experienced in China was expected.

The next month Lacy sent a six-year summary of the growth of the Publishing House business:³²

1906	\$59,460
1907	87,999
1908	104,201
1909	116,678
1910	138,802
1911	201,119

This represented an increase of about 130% since 1907, and Lacy said they needed a fourth American added to the executive staff, the present three being himself, Plant Superintendent Cowan, and W.I. Lacy, in charge of the retail

³²Minutes, *op. cit.*, May 8, 1912.

book business. The value of the Shanghai House was set at \$11,200. In submitting this report of Lacy's to the Book Committee in May, Dr. Brown, Secretary of the Board of Directors of the China Publishing House, said the Board of Missions now felt in a better position to talk about the transfer, and suggested that the Special Committees appointed a year ago get busy on the negotiations. At the same meeting Dr. Brown told the Book Committee he would visit the China House during November and December of 1912, at the request of the Board of Directors.

This he did in company with W.W. Pinson, General Secretary of the Southern Missions Board, and found a brighter state of affairs than had other Book Committee visitors in past years. The House's business had recovered quickly from the upheaval of the Revolution; publishing in Shanghai had shown an actual net profit of \$2,533 in 1912; in Foochow, \$856. The Shanghai House was in good repair and its increasing business had justified the building of a new storage house. The presses were all kept busy--principally with job work--the machinery was the best in town. Management was at peace with the missionaries, and vice versa. The two visitors came to two conclusions:

(1) The Publishing House, as an indispensable missionary agency, should naturally be administered by the Board of Missions, and

(2) It could not for many years fulfill its destiny without a subsidy from home agencies.

The May 22, 1913 meeting of the Book Committee was told that the Board of Missions again could not see its way clear to take over the China Publishing House and invest any appreciable sums in it, but that it was also clear that such a step was logical and necessary. It would take time, but it would eventually come about. The legalities of state and church law that made the move prohibitive in 1906, were being slowly dissolved or overcome. Time and changing membership in the various boards and committees soothed feelings that had been rubbed raw in the early years of the venture. The Book Committee ceased to hope that it could get back its

tremendous investment in the House--or more realistically, recoup its losses. A philosophical air pervaded in this quarter. The Publishing House was the hardy survivor of numerous expensive pieces of General Conference legislation and could survive this one, too. And the publishing venture was also called on in 1913 to suffer the loss by death of the services of Homer Eaton, Chairman of the Board of Directors since its creation in 1902.

In 1914 the Shanghai House was again valued at \$11,200, indicating that it was at least holding its own, if not growing.³³ But from a much publicized beginning the House dropped into almost total obscurity as far as the *Advocates* were concerned, there being little or no mention of it in them after the 1906 General Conference. The Publishing Agents reported in 1914 that another \$3,000 had been spent for an addition to the plant and that the variation in the rate of exchange was depressing business; also that the Foochow House was managed by W.N. Lacy.³⁴

Finally in 1917 the Book Committee offered to transfer its interest in the China Publishing House to the Southern Board of Missions for \$10,000, to be paid by the Board of Missions out of their share of the net proceeds of the business with the understanding that should there be no net proceeds there would be no payment. The transfer was so arranged that the Board of Missions paid a dollar in cash for the Book Committee's interest in the Shanghai property and \$9,999 in "other valuable considerations." There was reasonable doubt that the Board of Missions would accept even this offer, and a committee of five was appointed by the Book Committee to memorialize the General Conference to help the Board of Directors to dispose of the Shanghai interest in case the Board of Missions rejected the offer.³⁵ The Mission Board was agreeable to the transfer, however, which actually took place two years later in 1919.

³³*Ibid.*, May 5, 1914.

³⁴*Daily Christian Advocate, General Conference, Methodist Episcopal Church, South, 1914, p. 31.*

³⁵*Minutes, op. cit.*, May 9, 1917.

The epitaph of Southern Book Committee ownership in the Publishing House in China was written by Lamar and Smith in their annual report of May 14, 1919, to the Book Committee:

In accord with your instructions, we have transferred the property of the Publishing House in China to the Board of Missions. We have charged the Board the sum of \$10,000, and have charged the balance of \$38,100 to stock account.

This accounted for most of the original \$50,000 ordered by General Conference in 1898.

The venture had cost the Southern House something in excess of \$77,000, but everybody concerned had learned a lot about publishing in China, the most significant piece of knowledge being that the publishing business is a business, and that when it is part of a mission it must be subsidized.

The last information on the Shanghai House is found in a small back-page item in the October 28, 1920, *New York Christian Advocate*, which announced that the manufacturing division of the House had been discontinued because of the crushing competition of the many native printing businesses in the city who could and did do mission printing much cheaper.³⁶

Thus was the Publishing House a pioneer victim of Asiatic manufacturing competition.

³⁶*Christian Advocate* (New York), October 28, 1920, p. 1437.